

Memorandum



Borough Manager John Moosey

DATE: February 4, 2020 (for Public Release on February 11, 2020)
TO: Mayor and Assembly
FROM: John Moosey, Borough Manager
SUBJECT: Manager's Notes to the Assembly

Harris Legislative Report – See attached email from John Harris dated February 4, 2020.

Board of Fisheries Informational Meetings – Bring Salmon Back to the Mat-Su Borough – Flyers are attached:

- Informational Work Session, Wed., February 5 at 6pm, Borough Assembly Chambers
- Palmer Chamber, Wed., February 5 at Noon, Ted Eischeid, MSB Planner, Speaking

Solid Waste Landfill Gas Issue – Landfill Gas at the Palmer Landfill has been monitored since 1997. Landfill gas odors noticeably increased about a year ago which prompted the Solid Waste Division to begin planning to attempt to mitigate these smells in the FY20 budget. The MSB signed a contract with Burns and McDonald on December 18, 2019 to perform engineering to develop a comprehensive landfill gas management plan and assist in formulating an RFP to mitigate the increasing landfill gas quantities. Landfill gas readings unexpectedly increased last week, to levels that require the Solid Waste Division to take action faster than the original contract schedule allowed for. A violation letter was issued by ADEC to the Borough on Friday, January 30, 2020 (copy attached) requiring the Borough to implement a solution to mitigate the issue by March 23, 2020. Neighbors were notified by letter (copy attached) dated January 30, 2020.

The Solid Waste Division Environmental Section, augmented by Shannon and Wilson, our Gas and Water Monitoring contractor, have been working seven days a week to monitor and reduce levels of the landfill gas component methane. Public Works requested the current landfill gas management contractor to develop a scope of work and an engineers' estimate to perform the work. The work involves installation of approximately 12-14 large bore (2'-3') wells, applying a vacuum to those wells and delivering the resultant gas to a flare, which will burn off the gas. This flare method of relieving the pressure of excess gas within the waste field is the most common practice for fields of this size.

Willow Creek Flooding – On January 14, 2020, Mayor Halter, Assemblymember Boeve, myself, and several staff visited the flooding site in Willow for a status update.

Jonesville Public Use Area Management Plan Scoping Meetings – See attached letter from Eric Phillips to the Department of Natural Resources dated January 16, 2020.

Ribbon Cutting at Mat-Su Regional Hospital – On January 16, 2020, Mat-Su Regional Hospital celebrated the opening of the new Inpatient Behavioral Health Unit on the third floor.

Population Determination for FY2021 – See attached letter from the Department of Commerce dated January 14, 2020, stating current population of the borough has been determined to be 106,438.

2020 U.S. Census Kickoff – On January 17, I attended the News Conference held at the Alaska Native Heritage Center in Anchorage. Governor Dunleavy and U.S. Census Bureau Director Dillingham were among the featured speakers.

On the Edge of America, Census Begins in a Tiny Alaska Town – See attached article regarding the Census starting in Toksook Bay, dated January 20, 2020.

Senate Majority Strips three Mat-Su Republicans of their Leadership Positions – See attached article dated January 21, 2020. (Note, the article mistakenly listed Lora Reinbold as a Mat-Su Republican.)

Congressional Update – See attached email from Karl Ohls dated January 22, 2020.

Re-establishing the Historic Herning Trail – The borough is entering into a contract with Recon Surveying to stake a 30-foot corridor along the new route for the Herning Trail, from Knik Lake to the Parks Hwy in Houston. Attached is the draft letter and project factsheet to be mailed to the property owners along the new trail route.

West Susitna Road Access – Status Update and Phase 2 – See attached email from Alan Weitzner dated January 24, 2020.

FY2021 Education Funding – See the attached letter to Superintendent Monica Goyette re FY2021 School Funding, January 27, 2020

SB 50 - Alaska Education Facilities, Maintenance, and Construction Tax – See the attached Sponsor Statement by Senator Click Bishop. SB 50 would revive the repealed head tax on individuals with income from a source in Alaska.

Senate Finance Committee FY2021 Budget Overview – See the attached presentation dated January 28, 2020.

Department of Fish & Game, Division of Commercial Fisheries, Return on Investment – See the attached presentation to the House Fisheries Committee dated January 28, 2020.

Alaska Natural Gas Utility (IGU) – See my attached letter to Dan Britton of Fairbanks Natural Gas dated January 28, 2020 in response to their request for support for their efforts to seek bond financing through AIDEA.

Congressional Earmarks Re-Considered – See attached email from Karl Ohls dated February 3, 2020.

Attachments:

- Legislative Update from John Harris, February 4, 2020
- Understanding and Influencing the Board of Fisheries, Informational Work Session
- Palmer Chamber of Commerce, Guest Speaker Ted Eischeid
- Letter from ADEC re Violation at Central Landfill, January 30, 2020
- Letter to Neighbors re Central Landfill Gas Monitoring and Detection, January 30, 2020
- Letter from Eric Phillips to DNR re Jonesville Public Use Area Management Plan Scoping Meetings, January 16, 2020
- Letter from Alaska State Department of Commerce re Population, January 14, 2020
- 2020 Census Kickoff of First Count in Alaska News Conference, January 17, 2020
- On the Edge of America, Census Begins in a Tiny Alaska Town, January 20, 2020
- Senate Majority Strips three Mat-Su Republicans of their Leadership Positions, January 21, 2020
- Congressional Update, Email from Karl Ohls, January 22, 2020
- Herning Trail Survey Activities draft letter and project factsheet, January 23, 2020
- West Susitna Road Access – Status Update and Phase 2, January 24, 2020
- Letter to Superintendent Monica Goyette re FY2021 School Funding, January 27, 2020
- SB 50 – Sponsor Statement – Alaska Education Facilities, Maintenance, and Construction Tax
- Senate Finance Committee FY2021 Budget Overview – See the attached presentation dated January 28, 2020
- Department of Fish & Game, Division of Commercial Fisheries, Return on Investment – See the attached presentation to the House Fisheries Committee dated January 28, 2020
- Letter to Dan Britton of Fairbanks Natural Gas, January 28, 2020
- Congressional Earmarks Re-Considered, Email from Karl Ohls, February 3, 2020

Upcoming Activities:

- Board of Fisheries Informational Meetings – Bring Salmon Back to the Mat-Su Borough:
 - Informational Work Session, Wed., February 5 at 6pm, Borough Assembly Chambers
 - Palmer Chamber, Wed., February 5 at Noon, Ted Eischeid, MSB Planner, Speaking
- Jonesville Public Use Area Community Meetings:
 - February 4, 2020, 6:30-8pm at Sutton Elementary School, 11572 Wright Way, Sutton
 - February 11, 2020, 6:30-8pm at Station 6-1, 101 W. Swanson Avenue, Wasilla
 - March 3, 2020, 6:30-8pm at Town Center Meeting Room, 11924 Business Blvd., Eagle River
- Upper Cook Inlet Finfish Meetings, February 7-19, 2020, Egan Center, Anchorage
- State of Alaska Board of Fisheries Meetings, Egan Center, February 7-19, 2020
- AML Winter Legislative Conference, February 18-20, 2020, Juneau. Mayor Halter and I will be attending. Please note that I will not be present for the February 18 regular Assembly meeting.



John Moosey

From: John Harris <johnl.harris57@gmail.com>
Sent: Tuesday, February 4, 2020 10:18 AM
To: tmaloney@ahtna.net; rtansy@ahtna.net; Rick.Meidel@crowley.com;
ray@raygillespieandassociates.com; Paul.Manzi@crowley.com; Michelle Anderson;
mblattmachr@peaktrust.com; Kathryn Martin; Julia Shemesh; John Moosey;
JakeM@afscmelocal52.org; gdixon@akteamsters.com; David.Wood@crowley.com;
Daniel McCue; Bruce Cain; Art.Mead@crowley.com; nostrovsky@ahtna.net;
aibod@ahtna.net
Subject: Report

[EXTERNAL EMAIL - CAUTION: Do not open unexpected attachments or links.]

The third week of the 2020 legislative session is underway.

Both bodies, House and Senate, are working on the Operating Budget overviews in Subcommittee. The House intends to have a budget to the Senate by early March. The attempt is to get the budget process finished by the 90 day time. The Senate will do its version of the Operating Budget after receiving it from the House. The Governor submitted a budget to the legislature this year that does not make the large cuts from services as last years budget did. The main issue that everybody must address is the 1.5 Billion dollar deficit that the proposed budget has. The deficit includes a full Statutory Permanent Fund Dividend. That amount is around 2.1 Billion dollars.

The Governor in his budget has paid the dividend out of the Constitutional Budget Reserve. To spend money out of that account requires a 3/4 vote. A big sticking point. I believe the legislature is headed into the same predicament as last year which lead to a long stalemate. I hope not!!

Most legislation that is not budget related is a slow go.

There is some talk of a GO Bond to address capitol construction projects.

John

Sent from my iPhone

*Understanding and Influencing
the Board of Fisheries:
Bring Salmon Back to the
Matanuska-Susitna Borough*

Wednesday, February 5, 2020

6:00 PM

Informational Work Session

Matanuska Susitna-Borough

Assembly Chambers

350 E. Dahlia Avenue

Palmer, Alaska 99645

The MSB Fish and Wildlife Commission (FWC) is preparing for the State Board of Fisheries (BOF) Upper Cook Inlet Finfish meeting scheduled for February 7-19 at the Egan Center in Anchorage. The FWC has submitted five proposals for consideration which are designed to return more salmon to their natal streams in the Matanuska-Susitna Basin.

This work session will provide you with information and an understanding of how to navigate the complex subject of salmon management as it relates to Upper Cook Inlet and give you the tools to make a difference for salmon at the BOF meeting.

MSB Fish and Wildlife Commission

Ted Eischeid, Planner II
350 E. Dahlia Avenue
Palmer, Alaska 99645

Phone: 907-861-8606
Email: ted.eischeid@matsugov.us



Greater Palmer Chamber of Commerce

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Greater Palmer Chamber of Commerce Weekly Newsletter

Next Luncheon - Wednesday, February 5th

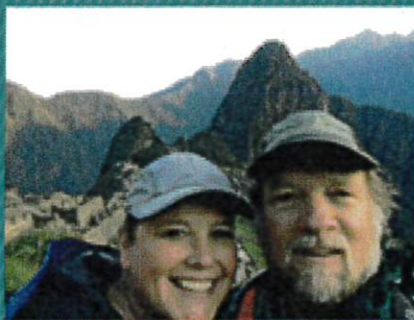
Networking Time: 11:45 am - Noon

Program Time: Noon - 1:00 pm

Location: Palmer Moose Lodge

1136 S. Cobb St., Palmer, AK 99645

Keynote Speaker



Ted Eiseid, Planner II, Matanuska Susitna Borough
It takes fish to make fish - what the MSB Fish & Wildlife
Commission is doing to make this happen in the Mat-Su

5 minute business spotlight: [Tammy Bruce](#), [Edward Jones](#)



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Environmental
Conservation

DIVISION OF ENVIRONMENTAL HEALTH
Solid Waste Program

555 Cordova Street
Anchorage, AK 99501
Phone: 907.269.7626
Fax: 907.269.7510
www.dec.alaska.gov

January 30, 2020

Macey "Butch" Shapiro
Solid Waste Manager
Matanuska-Susitna Borough
350 East Dahlia Avenue
Palmer, Alaska 99654

Certified Mail #7018 3090 0001 0823 6389
Return Receipt Requested

Subject: Violation of 18 AAC 60.350 – Control of Explosive Gases

Dear Mr. Shapiro,

On January 23, 2020, the January gas monitoring was performed by Shannon & Wilson, Inc. at the Matanuska-Susitna Borough (MSB) Palmer Central Landfill. The Alaska Department of Environmental Conservation (ADEC) has reviewed the monitoring report and finds that MSB Palmer Central Landfill is in violation of the Title 18, Chapter 60 of the Alaska Administrative Code (18 AAC 60).

18 AAC 60.350(a)(2) requires that concentrations of methane at the landfill property boundary of a municipal solid waste landfill (MSWLF) shall not exceed the lower explosive limit (LEL) – 5% volume in air – at the facility property boundary. In addition, if the methane concentrations exceeded the LEL in probes at the property boundary, or 25% of the LEL in any structure, the owner or operator is required to notify ADEC in writing and by telephone immediately, as well as that steps to reduce the concentrations of methane [18 AAC 60.350(c)].

During the sampling event, methane levels were detected at 440% of the lower explosive limit (LEL) at gas monitoring probe CLFP-3. Additional samples after purging the probe confirmed the exceedance. MSB submitted the results to the ADEC on January 24, 2020 via email, with no specific notification of the exceedance. The levels significantly exceed the standard indicating potential methane migration outside the landfill boundary that could produce serious safety hazards for the surrounding homes.

The Palmer MSB Central Landfill must take immediate measures to:

- Dissipate the gas concentration in CLFP-3.
- Monitor methane concentrations at CLFP-3 daily and submit results the same day to ADEC.
- Continue to dissipate any concentrations of methane exceeding the LEL.
- For public safety, contact and inform all residents living within a half mile radius of CLFP-3 probe of the potential safety hazard.
- Offer and expedite methane testing for all notified residents by a third party contractor.
- For any structures within 1000 foot radius of CLFP-3 you are required to provide sampling by a third party contractor. If methane is detected in any structure, move an additional 500 feet in the quadrant of the radius centered on the detection.

- Notify ADEC via telephone and email for any exceedances of 10% of the LEL in any structure.
- Submit a daily report by 4pm each day, including all sampling results from any location, all ongoing corrective measures, name, address, and phone number of all contacted neighbors, and a plan for the next day's operation.
- A long term remediation plan must be implemented no later than March 23, 2020.

Please contact me at (907) 269-7626 or by email at evan.miller@alaska.gov if you have any comments, questions, or reports.

Sincerely,



Evan Miller
Municipal Landfill Specialist

cc: Terry Dolan, MSB
Brett Olson, MSB



MATANUSKA-SUSITNA BOROUGH

Public Works Department

Solid Waste Division

350 East Dahlia Avenue • Palmer, AK 99645

Phone (907) 861-7600 • Fax (907) 861-7609

www.matsugov.us

Neighbor Name

January 30, 2020

Address

City, State, Zip

RE: Central Landfill Gas Monitoring and Detection

Dear Neighbor,

The Matanuska-Susitna Borough is committed to the health and safety of residents and our environment. It is known that landfill gas is a potential hazard near landfills, so the Borough installed underground gas testing probes, has taken frequent samples since March 2014 and reports the results to the Alaska Department of Environmental Conservation.

Central Landfill gas probe #3 is a monitoring point along the northern boundary of the landfill and was designed to measure underground methane. Methane is a hazardous gas that is a component of landfill gas and has been detected at low levels in Central Landfill gas probe #3 since the first tests in 2014. During a recent sampling event, potentially hazardous concentrations of methane were detected at this site. It is important to note that the gas detection was not found inside any structure or residence. However, the detected concentration was above regulatory acceptable levels.

The accumulation of methane in confined spaces or structures, can present a health and safety concern. The purpose of this letter is to make you aware of this possible hazard and to offer free testing to determine if methane may be a problem in your home or other structures on your property.

The Borough is offering to conduct third party air sampling for homeowners within a half mile of the landfill. With your consent, the third party contractor will take samples in areas of concern to ensure the air quality at your property.

The Solid Waste Division strongly recommends that neighbors near the landfill participate in this voluntary monitoring program. Residents who wish to participate or who desire more information may contact the Solid Waste Division Environmental Unit at (907) 861-7604.

Respectfully,

Macey "Butch" Shapiro
Solid Waste Division Manager

Providing Outstanding Borough Services to the Matanuska-Susitna Community.

COPY



MATANUSKA-SUSITNA BOROUGH
Community Development Department

350 East Dahlia Avenue • Palmer, AK 99645

Phone (907) 861-7869

E-mail: lmb@matsugov.us

www.matsugov.us

Matanuska Susitna Borough

JAN 22 2020

Administration

January 16, 2020

Martin Parsons
Division of Land Mining and Water, Director
Department of Natural Resources
550 W. 7th Ave, Suite 1070
Anchorage, AK 99501-3579

RE: Jonesville Public Use Area Management Plan Public Scoping Meetings

Dear Mr. Parsons,

The Borough is supporting the community of Sutton with their efforts to draft a management plan for the Jonesville Public Use Area. The state-owned land in the Jonesville Area is an important resource to the community and the region. The public safety concerns as well as the growing level of recreational use in the area has brought the need for improvements to the forefront.

While the Jonesville area is predominately state-owned land, with the funding shortfalls, this important planning effort cannot afford to be put on hold for the foreseeable future. Therefore, the Borough is prepared to meet the statutory requirements in order to draft a management plan for the public use area. Public scoping meetings are scheduled for:

February 4 2020, 6:30-8pm at Sutton Elementary School, 11672 Wright Way, Sutton;
February 11 2020, 6:30-8pm at the Station 6-1, 101 W. Swanson Avenue, Wasilla; and
March 3 2020, 6:30-8pm, Town Center Meeting Room, 11924 Business Blvd, Eagle River, AK

We can appreciate and commiserate regarding the funding shortfalls DNR DMLW is experiencing. At the same time, these scoping meetings are an integral part of the planning process and someone representing the major landowner should be present.

Please consider sending a DNR DMLW representative to each scoping meeting.

Contact me if you have questions,

Eric Phillips
Community Development Director

CF: Rep. George Rauscher
Assembly Member Tim Hale
Borough Manager John Moosey

Providing Outstanding Borough Services to the Matanuska-Susitna Community.



THE STATE
of ALASKA
GOVERNOR MIKE DUNLEAVY

Department of Natural Resources

DIVISION OF MINING, LAND & WATER
Director's Office

550 West 7th Avenue, Suite 1070
Anchorage, Alaska 99501-3579
Main: 907.269.8600
TTY: 711 or 800-770-8973
Fax: 907.269.8904

December 27, 2019

Jonesville Public Use Area Planning Committee
c/o Brian Largent
11301 N. Chickaloon Way
Sutton, AK 99674

Dear Mr. Largent,

The Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW) encourages community discussion and involvement to help us manage uses on public lands within our scope of responsibility. This involvement is especially vital at the early stages of creating or revising management plans. We are encouraged by the amount of effort and responsibility seen in these early stages with the Jonesville Public Use Area Planning Committee and thank you and the committee for those efforts thus far.

We would like to remind all involved that there are statutory requirements for planning that must be adhered to. This particular planning effort will need to keep in mind the fact that the Jonesville Public Use Area lies entirely within the Matanuska Valley Moose Range Management Plan, another legislatively designated area, that has a current plan and associated regulations in place that must be considered. For the DNR Commissioner to adopt a finalized management plan for area consistent with Title 41, all provisions in Title 38 and the Alaska Administrative Code must also be followed in addition to any provisions that may apply in Title 16. We are attaching a copy of the planning process for your reference. Within the DNR-DMLW, the Resource Assessment and Development Section (RADS) has primary responsibility for land use planning. As you are aware a fiscal note was not included in the passage of Alaska House of Representative Bill 6 that designated the Jonesville Public Use Area. Without dedicated funding DMLW-RADS is unable to commit staff to the planning efforts that are under way by the Jonesville Public Use Area Planning Committee. However, before any plan can be approved by the DNR Commissioner, DMLW will ultimately need to review the management plan before it can be adopted to ensure that it adheres to the statutory and regulatory requirements for planning and public involvement.

We are not attempting to discourage the involvement of any group for the planning efforts but feel it necessary to remind everyone involved of these requirements to alleviate any misunderstanding that might occur in the future. If you have any questions related to the land use planning process, please feel free to contact Monica Alvarez at 269-8145 or by email at monica.alvarez@alaska.gov.

Respectfully,

A handwritten signature in black ink, appearing to read "Marty Parsons".

Marty Parsons
Director
Division of Mining, Land and Water

cc: Clark Cox, DMLW via email
Monica Alvarez, DMLW via email
Ben Hagedorn, DMLW via email
Emerson Krueger, Matanuska-Susitna Borough via email



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community,
and Economic Development

Division of Community and Regional Affairs
Anchorage

Matanuska Susitna Borough

JAN 21 2020

Administration

550 West 7th Avenue, Suite 1640
Anchorage, AK 99501-3510
Alaska 907 269 4501
Toll free 877 759 4539
Fax 907 269 4563

January 14, 2020

Mr. John Moosey, Borough Manager
Matanuska-Susitna Borough
350 East Dahlia Avenue
Palmer, AK 99645

SUBJECT: Population Determination for FY2021 DCCED Financial Assistance Programs

Dear Mr. Moosey:

The Department of Commerce, Community, and Economic Development annually certifies the population of each municipality, community, and reserve in the State of Alaska for use in various financial assistance programs based upon population estimates prepared by the State Demographer at the Department of Labor and Workforce Development. For the [COMM] the following population will be used for all FY21 programs the department administers.

The population of the Matanuska-Susitna Borough has been determined to be 106438

If you do not agree with the population determination, you may request a population adjustment by submitting a written request and substantiate the request by completing either of the two approved methods: Head Count Census Method or Housing Unit Method. The request must include a resolution from the governing body proposing a corrected population total.

If you choose to request a population adjustment, please review the Head Count Census and Housing Unit Method manuals the department has published to assist you with this process. These manuals are available at <http://commerce.alaska.gov/web/dcra/> or you may also contact the department for a copy of the manuals.

The request for adjustment and completed census documentation must be postmarked no later than April 1, 2020, and submitted to:

Department of Commerce, Community, and Economic Development
Division of Community and Regional Affairs
Attn: Grace Beaujean
550 West 7th Avenue, Suite 1640
Anchorage, AK 99501

For additional information, please contact Grace Beaujean, Research Analyst III, at 907.269.4521 or DCRAResearchAndAnalysis@alaska.gov.

Sincerely,

\s\
Sandra Moller
Division Director

Cc: Division of Community and Regional Affairs, Research and Analysis Section
Division of Community and Regional Affairs, Community Aid and Accountability Section

2020 Census Kickoff of First Count in Alaska

News Conference

- 10:00 a.m.** Alaskan Native Heritage Center Executive Director Emily Edenshaw gives remarks
- 10:05 a.m.** Traditional Chief of the Eklutna Tribe Aaron Leggitt gives Traditional Welcome
- 10:10 a.m.** U.S. Census Bureau Chief Public Information Officer Michael C. Cook, Sr. gives remarks
- 10:15 a.m.** U.S. Census Bureau Director Dr. Steven Dillingham gives remarks
- 10:23 a.m.** Alaska Governor Mike Dunleavy gives remarks
- 10:32 a.m.** Alaska Census Workgroup Member Gabe Layman gives remarks

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January 17, 2020

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2020 Census Kickoff of First Count in Alaska

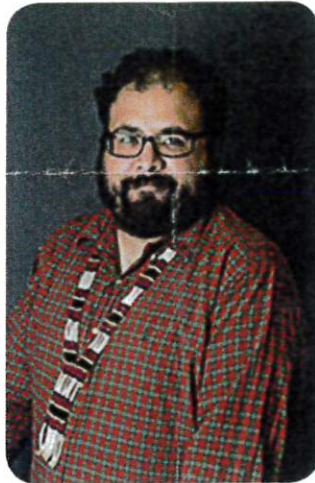
Dr. Steven Dillingham

Director, U.S. Census Bureau



Aaron Leggett

Traditional Chief of Eklutna



Gabe Layman

Alaska Census Workgroup—Alaska Counts



Emily Edenshaw

Alaska Native Heritage Center (ANHC)



Mike Dunleavy

Governor, Alaska



Michael C. Cook, Sr.

Chief Public Information Officer, U.S. Census Bureau



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January 20, 2020

On the edge of America, census begins in a tiny Alaska town

One reason the census starts early in Toksook Bay is because frozen ground in January turns to marsh that's difficult to traverse by March.



In Toksook Bay, Alaska, homes are huddled together and painted vivid lime green, purple or neon blue to help distinguish the signs of life from a frigid white winterscape. Matt Hage / AP file

Once the spring thaw hits, the town empties as many residents scatter for traditional hunting and fishing grounds, and the frozen ground that in January makes it easier to get around by March turns to marsh that's difficult to traverse. The mail service is spotty and the internet connectivity unreliable, which makes door-to-door surveying important.

For those reasons, they have to start early here.

The rest of the country, plus urban areas of Alaska such as Anchorage, will begin the census in mid-March.

Some of the biggest challenges to the count are especially difficult in Toksook Bay, one of a handful of villages on Nelson Island, which is about 500 miles (805 kilometers) west of Anchorage and only accessible by boat or plane.

Some people speak only Alaska Native languages such as Yup'ik, or speak one language but don't read it.

Places such as Toksook Bay that run this risk of being under-counted also desperately need the federal funds assigned based on population for health care, education and general infrastructure.

The U.S. census provides questionnaires in 13 languages, and other guides, glossaries and materials in many more. But none is one of 20 official Alaska Native languages. So local groups are bringing together translators and language experts to translate the census wording and intent so local community leaders could trust, understand and relay the importance of the census.

It wasn't an easy task. Language can be very specific to a culture.

For example, there's no equivalent for "apportionment" -- the system used to determine representation in Congress -- in the language Denaakk'e, also known as Koyukon Athabascan. So translators used terms for divvying up moose meat in a village as an

example for finding cultural relevancy, said Veri di Suvero, executive director of the agency partner Alaska Public Interest Research Group

When the official count begins this week, the Census Bureau has hired four people to go door-to-door. At least two of them will be fluent in English and Yup'ik.

Places such as Toksook Bay that run this risk of being under-counted also desperately need the federal funds assigned based on population for health care, education and general infrastructure.

Yet mistrust of the federal government is high. That's true in many parts of the U.S., but especially in Alaska, where many have strong libertarian views, and even more in a rural community where everyone knows everyone, and someone asking for personal information is seen with suspicion.

“The No. 1 barrier to getting an accurate count throughout Alaska is concern about privacy and confidentiality and an inherent distrust of the federal government,” said Gabriel Layman, chairman of the Alaska Census Working Group. “And that attitude is fairly pervasive in some of our more rural and remote communities.”



People ride through town on all-terrain vehicles on Jan. 18, 2020, in Toksook Bay, Alaska.

Gregory Bull / AP

The census is entirely confidential, Layman reassures people, and the Census Bureau can't give information to any law enforcement, immigration official or even to a landlord if you report if you have 14 people living in your rental. Violating that privacy could land a Census worker behind bars with a hefty fine.

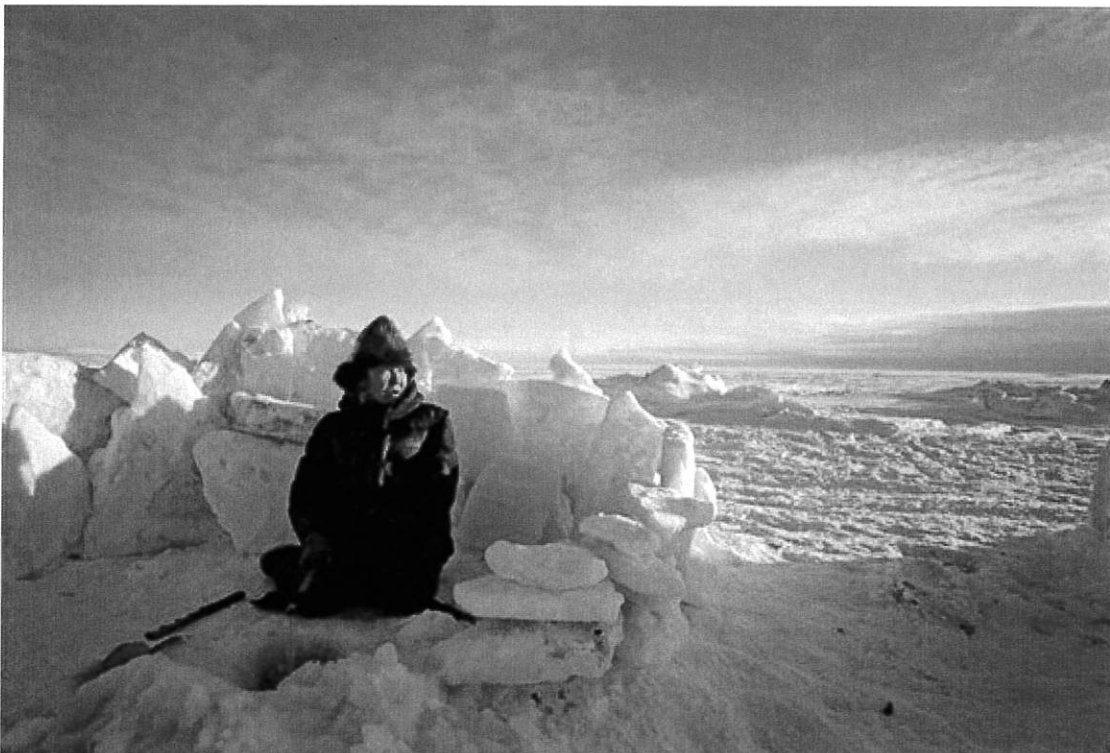
When the count begins on Tuesday, a Yup'ik elder who is part of a well-known Eskimo dancing group will be the first one counted.

Lizzie Chimiugak, whose age isn't known because records weren't kept but is anywhere from 89 to 93, is "the grandma for the whole community," said Robert Pitka, the tribal administrator of the Nunakauyak Traditional Council in Toksook Bay.

Steven Dillingham, the director of the U.S. Census Bureau, will be on hand for Tuesday's start.

Village officials will greet him at the town's airstrip and bring him to the school, where community members will bring traditional food, which could include seal, walrus, moose or musk ox. They'll have a ceremony with the dance group that includes Chimiugak, who will come to the school and dance in her wheelchair if the weather allows.

Mary Kailukiak, a town councilwoman, said she's one of the cooks.



Mary Kailukiak fishes for tomcod and smolt on the Bering Sea on Jan. 18, 2020, near Toksook Bay, Alaska. Gregory Bull / AP

“I’m thinking of maybe cooking up dried fish eggs, herring fish eggs,” she said, pausing to speak to a reporter while ice fishing for tomcod and smolt on the Bering Sea, dressed in a black parka and snow pants and sporting a hat made by her daughter from sealskin and beaver. The eggs will be soaked overnight and served with seal oil.

Then Dillingham will conduct the first official census count, or enumeration as it known, with Chimiugak, out of earshot of others to satisfy federal privacy laws.

Pitka is hoping for nice weather – it’s been as cold as -20 Fahrenheit (-29 Celsius) lately – as the nation’s eyes turn west for the event: “It’s going to be a very special moment.”

Simeon John, who leads a youth suicide prevention group, stood before about 120 people at the end of the Sunday service at St. Peter the Fisherman Catholic Church. In Yup’ik, he told parishioners to expect strangers in town this week and why.

Beyond helping prepare for Tuesday’s kickoff, he also encouraged them to take part in the census when a worker knocks on their door.

“That was one of the reasons why we encourage people to participate in as much as we can because of the benefits that we will be getting,” said John, a community census helper.

Responses in the 2020 census could help residents in the future get improvements to the water facility, airport, port and even roads.

Besides announcements at church services, community leaders will repeat the same message this week to townspeople over marine VHF radio and through more modern means, including texting.



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Senate majority strips three Mat-Su Republicans of their leadership positions

January 21, 2020 by Rashah McChesney, KTOO
(<https://www.ktoo.org/author/rashah/>)



Sens. Shelley Hughes, R-Palmer, Peter Micciche, R-Soldotna, and Mike Shower, R-Wasilla, talk before a floor session on Tuesday, January 21, 2020 in Juneau, Alaska. (Photo by Rashah McChesney/KTOO)

The Alaska Legislature convened in Juneau on Tuesday, Jan. 21. Senate leaders spent the first six hours of the day in closed-door meetings. The full Senate met late in the afternoon and ultimately voted to strip three Mat-Su Republicans of their committee chairmanships.

00:00

00:00

At its core, the Senate Majority caucus fractured over the Permanent Fund Dividend amount — though none of the members who were stripped of their leadership positions on Tuesday have formally left the caucus.

“We stood for the Permanent Fund Dividend and right now I don’t think it looks all that good for it,” said Wasilla Republican Mike Shower.

Shower, Palmer Republican Shelley Hughes and Eagle River Republican Lora Reinbold broke from their caucus on a vote that set last year’s dividend amount. Each wants a dividend funded under the traditional formula set in state law.

Senate President Cathy Giessel says there are rules to being in the 14-member majority caucus and legislators agree to them when they join.

“You know, it’s just like sitting in an exit row on a jet. You choose to sit on that exit row. There are rules you have to follow and the flight attendant will ask you, will you comply by the rules? And you have to verbally answer ‘yes’. If you say



‘no’ that’s fine. You just get a different seat on the plane,” Giessel said.

Senate President Cathy Giessel, R-Anchorage, and Sen. Bert Stedman, R-Sitka, talk before a floor session on Tuesday, January 21, 2020 in Juneau, Alaska. (Photo by Rashah McChesney/KTOO)

When asked if she is the flight attendant in her metaphor, she said “I guess. Perhaps.”

“I don’t intend to be the flight attendant that says ‘alright you’re going to have to to move’,” she said. “It was actually a leadership decision.”

Those committee leadership positions control legislation and are instrumental brokers of power in the Capitol.

Reinbold says there has been a dramatic shift in power in the Senate.

“I believe this is a defining moment in the history of Alaska, where there’s a major shift to the left,” she said.

This isn’t the first time Reinbold has been punished for voting against the budget. In 2015 while she was a representative, she was stripped of most of her committee assignments after voting against the operating budget in the House.

In 2017, Hughes voted against the budget. She and then-Sen. Mike Dunleavy left the majority in order to do so.

Gov. Mike Dunleavy said in a Tuesday morning interview that it can be difficult for legislators to balance the caucus’s needs against their own.

“They owe their loyalty to their constituents,” he said. “The caucus contract was developed to help run business. When the caucus concept runs well, it runs well. It works for everybody. Sometimes it doesn’t. But that’s a decision that, you know, the current legislature’s going to have to decide if they’re having questions about their caucus system.”



Senators head into negotiations on Tuesday, January 21, 2020 in Juneau, Alaska. Mike Shower, R-Wasilla, (left) was stripped of most of his committee positions by Senate leadership for violating the rules of the caucus. (Photo by Rashah McChesney/KTOO)

Giessel said after the vote

(<https://drive.google.com/file/d/17Ij7kWEjc7owFVwpK89ThKpyeNpuN5Va/view?usp=sharing>) that she’s not expecting any more changes.

Andrew Kitchenman contributed to this report.

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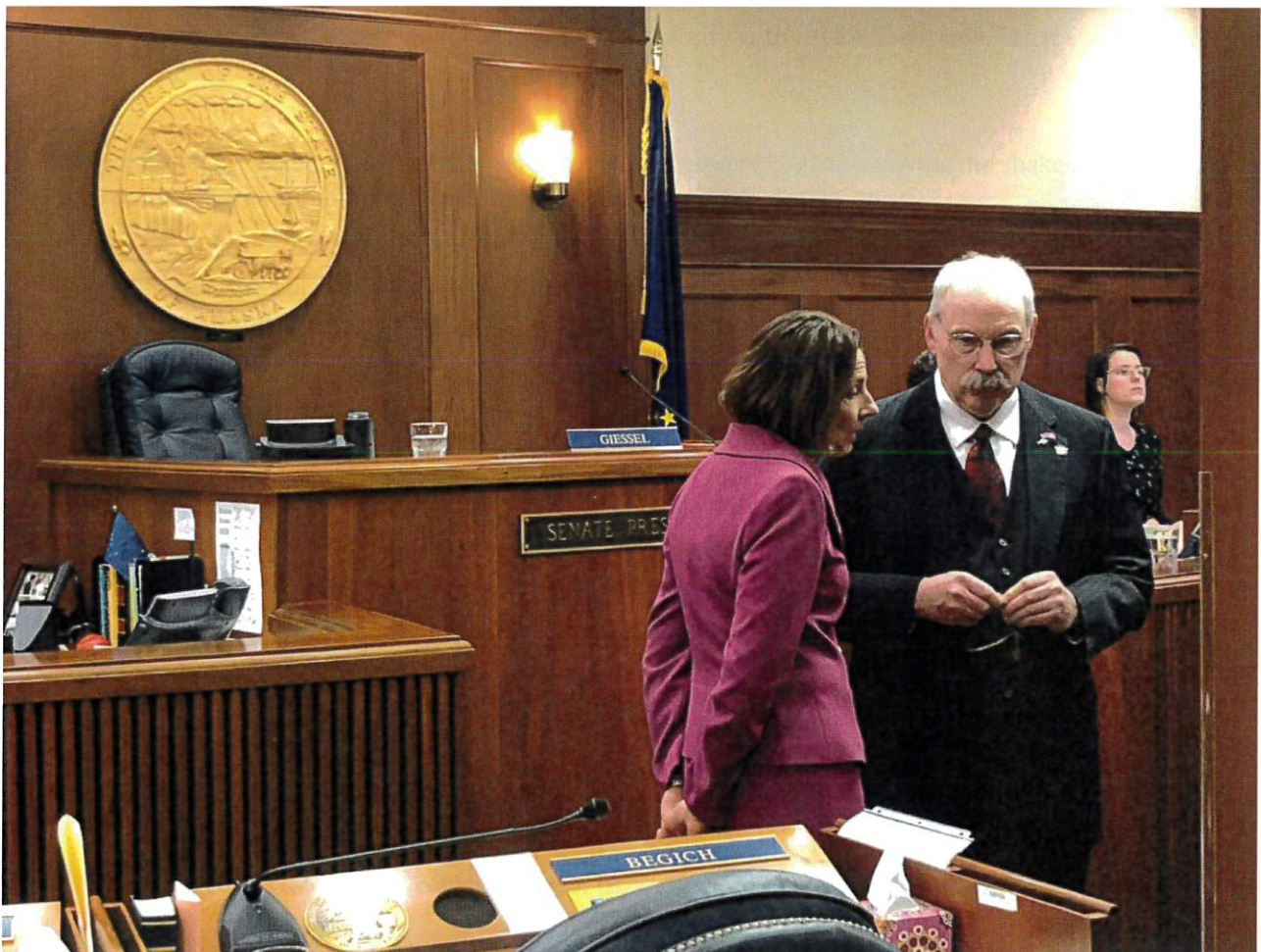


ANCHORAGE DAILY NEWS

Alaska Legislature

As Alaska Legislature opens, Senate majority cracks along dividend lines

✎ Author: James Brooks ⌚ Updated: 12 hours ago 📅 Published 12 hours ago



Senate President Cathy Giessel, R-Anchorage, speaks with Senate Finance Committee Co-Chair Bert Stedman, R-Sitka, as the Alaska Senate convenes its annual session on Tuesday, Jan. 21, 2020 in Juneau. (James Brooks / ADN)

In a speech on the Senate floor, Reinbold said she voted for the state's capital budget and operating budget, as required.

"I never agreed to vote for all appropriation bills," she said, and Shower later said he agreed with that interpretation.

Half of Reinbold's majority colleagues, including the leadership of the group, interpreted their agreement differently.

"On July 29, three members exercised their free will, their freedom, to vote no on that budget, and that's perfectly all right. ... But it did violate that agreement," said Senate President Cathy Giessel, R-Anchorage, equating the absence of Hughes and Shower to a "no" vote.

[Anchorage judge unexpectedly orders temporary halt to recall campaign against Dunleavy]

During a Jan. 4 legislative town hall meeting in the Matanuska-Susitna Borough, residents urged their local legislators to remain firm on the dividend and budget. At the time, rumors of possible consequences were already swirling.

"We need you guys to fight. Everybody here wants you guys to fight for us," Russell Green of Palmer said, earning applause. "Whatever it takes. If you have to shut our state down to keep from compromising and making it go even worse than it is, then do it."

After Tuesday's moves were officially announced, a Republican district chairwoman in Shower's region urged her fellow Republicans to write letters against the move, saying in a newsletter that she was "so very disappointed."

House convenes uneventfully

In the House, the session began with ceremony and little of the drama that occurred last year, when members deadlocked and were unable to select a speaker of the House until February.

Members of the Republican minority objected to changes in the membership of the House's special committee on military and veterans affairs, saying that with Revak's departure for the Senate, his slot should be taken by one of the House's veterans rather than Rep. Steve Thompson, R-Fairbanks. The request was not accepted.

Rep. Geran Tarr, D-Anchorage, and Rep. Mel Gillis, R-Anchorage, were excused absent from the first day of session. Gillis was appointed during the interim to replace Revak, but his wife suffered a medical emergency and he had to leave the Capitol, the House minority press secretary said. Tarr was ill, her staff said.

From: Karl Ohls <kohls@northstargrp.com>

Sent: Wednesday, January 22, 2020 2:12 PM

To: John Moosey <John.Moosey@matsugov.us>; Nicholas Spiropoulos <Nicholas.Spiropoulos@matsugov.us>

Subject: Congressional update

John and Nick,

While most of the news from Capitol Hill these days is about impeachment, please see below for some other items of interest. An infrastructure package appears to be on the agenda for 2020, with the House and Senate working on separate plans. At the same time, the Trump administration is proposing to modify the National Environmental Policy Act to remove barriers to faster infrastructure construction. And, FEMA now has a new chief administrator.

Also, House Majority Leader Steny Hoyer recently outlined the House majority's priorities for this year. Of most interest, the infrastructure package is on his list.

Karl

Eyes on Washington – Jan. 21, 2020

Bipartisan Infrastructure Plan Discussions Continue

- As 2020 kicks off, members from both parties in the House and Senate have discussed plans to move on infrastructure proposals.
- House Speaker Nancy Pelosi (D-Calif.) told reporters on January 16, 2020, that she expects to release an infrastructure plan during the week of January 27.
- Senate Majority Leader Mitch McConnell (R-Ky.) has told members to expect a highway and transit bill to see floor action in the coming weeks. The bill has been on hold since last summer.
- Neither side has come up with a viable plan to pay for infrastructure proposals. Senate Finance Chairman Chuck Grassley (R-Iowa) has been working with Senate Environment and Public Works (EPW) Chairman John Barrasso (R-Wyo.) on funding details for a \$287 billion, five-year surface transportation bill that the EPW Committee passed last summer.
- In the House, Transportation and Infrastructure (T&I) Chairman Peter DeFazio (D-Ore.) said that his bill relies on existing federal gas tax revenues and a bonding proposal.

Eyes on Washington – Jan. 13, 2020

White House Proposes NEPA Changes

- The White House Council on Environmental Quality (CEQ) released a proposed rule on January 9, 2020, to overhaul the enforcement of the National Environmental Policy Act (NEPA).
- For the last 50 years, NEPA required agencies to evaluate how pipelines, highways and some oil and gas development affect the environment and nearby communities.
- The changes would update how federal agencies implement the law, which has been criticized by the current administration for obstructing the development of new and existing projects. During a news conference, President Donald Trump said, "From Day One, my administration has made fixing this regulatory nightmare a top priority. And we want to build new roads, bridges, tunnels, highways bigger, better, faster, and we want to build them at less cost."
- Environmentalists say those changes would allow the government to look the other way when projects contribute considerable amounts of greenhouse gases into the atmosphere.
- Comments are due to CEQ by March 10, 2020.

Eyes on Washington – Jan. 21, 2020

Senate Confirms FEMA Administrator

- The Senate on January 14, 2020, confirmed Peter Gaynor to head the Federal Emergency Management Agency (FEMA) by an 81-8 vote.
- Gaynor's confirmation comes in the midst of an emergency declaration for Puerto Rico, which has been hit by a series of earthquakes in the last week that devastated the already-weakened electrical grid and infrastructure that is still recovering from the 2017 hurricane season.
- Gaynor has been serving as the acting administrator of the agency since March, following the resignation of Brock Long, who had been accused of misusing government funds for personal travel.
- The Senate Homeland Security and Governmental Affairs Committee on November 18, 2019, unanimously approved Gaynor's nomination, expressing concern and urgency over the number of U.S. Department of Homeland Security (DHS) vacancies.

Hoyer: House priorities for 2020 include health care, infrastructure, climate, redistricting

Legislative action also planned on appropriations, defense, education, housing, modernizing Congress

Posted Jan 13, 2020 / Lindsey McPherson / Roll Call

House Democrats in 2020 plan to pass legislation on top party priorities like health care, infrastructure and climate as well as more under-the-radar subjects like modernizing Congress and redistricting — all while trying to fully fund the government on time for the first time in 24 years, Majority Leader Steny H. Hoyer said.

The No. 2 Democrat, who is in charge of the floor schedule, outlined his legislative priorities for the year in an interview with CQ Roll Call. The aforementioned issues were among a long list that Hoyer said Democrats plan to pursue in the second session of the 116th Congress. Others the Maryland Democrat mentioned include education, taxes, the annual defense and intelligence authorizations, and reauthorizations of the Foreign Intelligence Surveillance Act and National Flood Insurance Program.

Many of those issues, like health care and climate, will follow up on legislative efforts Democrats started last year after they took back the House majority.

“We got done what we said we were going to get done,” Hoyer said. “I think we had a very successful year. Now, one successful year doesn’t make a successful Congress. And we mentioned some of the things that we need to get done.”

One thing Democrats still want to get done on health care is legislation on surprise billing, in which patients are charged out-of-network prices for services they thought were in-network. The House Energy and Commerce and Ways and Means committees have competing plans. In the spending deal Congress passed in December, lawmakers only extended funding for several expiring health care programs through May 22 — pressuring themselves to pass a comprehensive measure addressing surprise billing and prescription drug pricing by Memorial Day.

Hoyer said it’s “possible” the House could act on surprise billing legislation before May but noted that leadership hasn’t set a time frame. Democrats passed HR 3 in December to allow Medicare to negotiate prescription drug prices, but they may have to follow up, he said.

The House will also pursue legislation to strengthen the 2010 health care law, Hoyer said. “We’ve already passed bills on protecting preexisting conditions, but that was a very high priority for us, and we may do something else,” he said.

Surprise billing, prescription drug prices and preexisting conditions are the “big” health care issues Democrats will be focused on this year, Hoyer said, but he also mentioned maternal mortality rates and youth vaping. He didn’t rule out other topics, including reinsurance and subsidies to make health care more affordable.

Infrastructure with offsets

Infrastructure was among the top three issues that Democrats campaigned on in 2018. After an effort with President Donald Trump on a \$2 trillion bipartisan infrastructure plan blew up, Democrats want to move ahead without him.

“We’re gonna have to figure out how to pay for it on our own,” Hoyer said. “That’ll be tough, but we’re going to work on that. And I’m hopeful that we’ll do that relatively early in the year, certainly before May.”

While Hoyer said Democrats would welcome Republicans to that effort, he thinks they’re “politically afraid.” The politics aren’t much easier for Democrats, who will be out on a limb supporting revenue increases to pay for a plan with little chance of enactment. “That’s a legitimate concern,” Hoyer said.

Hoyer hopes Democrats will be willing to take that risk and look for ways to pay for other bills. Democrats several times last year waived their “PAYGO” rule requiring legislation that increases the deficit to be offset by spending cuts or revenue increases. “My recommendation to our caucus is that, yes, we do it less because we need to be concerned about the deficit and the debt,” Hoyer said.

On infrastructure, decisions need to be made beyond paying for new spending that Democrats want to authorize. One is whether to package Transportation and Infrastructure Committee bills on infrastructure like highways, bridges and ports with education and housing infrastructure bills under the jurisdiction of other committees. Hoyer has advocated not merging the three, but no decisions have been made. The proposals “will be focused on being environmentally sound and moving towards renewable, clean infrastructure construction and use,” Hoyer said.

Climate and redistricting

A broader climate plan from the Energy and Commerce Committee and other panels is also a priority, Hoyer said. Those committees will consider recommendations that the Select Committee on the Climate Crisis plans to submit in March.

“These will be real proposals that if [they] became law would accelerate and ensure our reaching by 2050 or earlier, if not carbon-free, a very radically reduced carbon imprint,” Hoyer said.

The House will also act this year on recommendations from the Select Committee on Modernization of Congress, Hoyer said.

Washington Rep. Derek Kilmer, who chairs the select panel, said Hoyer has been a “bullish, enthusiastic and an active participant” in discussing changes. The committee has reported out some recommendations and is considering others. “All of it is in broad service of having the institution function on behalf of the American people,” Kilmer said. “Part of my admiration for Steny is that’s the mantra he brings to work every day.”

Just like with health care and infrastructure, House Democrats in 2020 want to do more on the third plank of their “For the People” 2018 campaign agenda: cleaner government. Since the Senate has not acted on HR 1, Democrats’ government overhaul focused on campaign finance, voting and ethics, the House will break out at least one big piece of that bill and pass it as a stand-alone.

“I’m particularly interested in redistricting reform,” Hoyer said. “I’m very committed to trying to get legislation through that will require a fair redistricting process in every state.”

House Administration Chairwoman Zoe Lofgren told CQ Roll Call she introduced a stand-alone bill last year and is supportive of advancing such a measure through her committee but hasn’t identified a timeline. The California Democrat doesn’t know if Republicans would support that but said she hopes so because “it’s important for polarization in the country.”

Appropriations on time?

Unlike in 2019 when Congress spent weeks early in the year in a partial government shutdown, Democrats can get to work on their party priorities right away in 2020.

“We are here working on substance, other than trying to keep the government open,” Hoyer said.

After Democrats won the House majority in 2018, Hoyer made it a goal to pass all of the chamber’s fiscal 2020 appropriations bills during a four-week period in June. He held a series of meetings and calls with key players in early 2019, including top House and Senate appropriators, Senate Majority Leader Mitch McConnell and Treasury Secretary Steven Mnuchin, to ensure the process went more smoothly than the fiscal 2019 one that led to the shutdown. By the end of June, the House passed 10 of the 12 fiscal 2020 bills, which accounted for 96 percent of funding. Hoyer blamed the Senate for the continuing resolutions that Congress relied on until it struck its broader December deal.

This year, Hoyer hopes the government is fully funded before the fiscal 2021 year begins Oct. 1; that hasn’t happened since 1996. He again has set aside the month of June to pass appropriations bills through the House and is confident they can at least pass the same 10 measures as last year if not all 12.

One thing that will make the fiscal 2021 process easier than the fiscal 2020 process is that topline spending levels for defense and nondefense spending were agreed to as part of a budget deal passed in July, Hoyer said. The timing of that deal helped delay the Senate from advancing its fiscal 2020 bills, and Hoyer hopes senators will start the process sooner so the chambers can resolve differences and have the president sign them before Sept. 30.

“They have to have the will to do it,” Hoyer said of the Senate.

Hoyer said he’s recommended that the Appropriations committees, in deciding fiscal 2021 subcommittee allocations, give each of the 12 panels their proportional share of the \$2.5 billion increase for defense and \$2.5 billion increase to nondefense accounts from fiscal 2020 levels. “It’s not a big enough number really to cause a major problem,” he said.

Appropriations Chairwoman Nita M. Lowey told CQ Roll Call she agrees with that approach. As for Hoyer’s goal to get all fiscal 2021 bills done on time, the retiring New York Democrat said it depends on whether the White House is a willing partner.

Hoyer “is the cheerleader,” Lowey said.

Last year’s budget deal should also help the defense authorization bill advance earlier in 2020. Hoyer said he wants to bring it to the floor in May, two months earlier than last year.

Armed Services Chairman Adam Smith told CQ Roll Call he’s aiming for a late April markup, which he said will focus on making the Pentagon more effective, encouraging competition and “getting the most bang for the buck.” The debate the House engaged in last week about “reasserting Article 1 congressional authority over war-making” is likely to resurface again in the NDAA, the Washington Democrat said.

“Steny has done a great job running the floor,” Smith said. “And it’s helped us get our job done and pass a lot of meaningful legislation.”

Mary Ellen McIntire and Jennifer Shutt contributed to this report.

Karl A. Ohls

Senior Policy Advisor

North Star Group

202-431-2938 mobile

202-544-6355 DC office

WWW.NORTHSTARGRP.COM - [Click here for more on the North Star Group Network](#)



Rowland Engineering Consultants

565 W Recon Circle, · Palmer, Alaska 99645
907.746.3630

Resident
Address
Address
Address

RE: Herning Trail Survey Activities

Dear Resident:

The Mat-Su Borough (MSB) has contracted with RECON, LLC to conduct surveying tasks related to the Historic Herning Trail relocation project. You have received this letter because a portion of the trail route passes on / or near your property. Please look over the project factsheet provided for your reference.

RECON field surveyors plan to be in the area beginning January 27th through the end of March 2020. If you have any questions or concerns please contact Emerson Krueger, MSB Project Manager by email. (Emerson.Krueger@matsugov.us)

Best regards,

Mick Ewing
RECON, LLC
565 W. Recon Circle
Palmer, AK 99645

January 23, 2020

DRAFT



Re-establishing the Historic Herning Trail

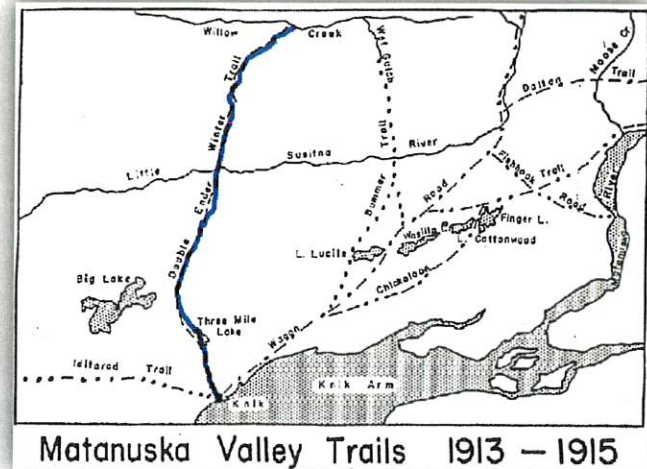


Project Vision & Goals

"The Herning Trail – connecting communities past and present." The trail celebrates Mat-Su's rich history and provides access to healthy recreational and economic opportunities.

The primary goal of this project is to re-establish the Herning Trail as a **safe multi-use winter recreation trail connecting Knik-Fairview, Big Lake and Houston.**

Through re-establishing this trail, the Mat-Su Borough and partners seek to create opportunities to **discover and celebrate the Mat-Su's rich history**, culture, and natural environment; **protect and improve access** to and through public lands in a rapidly developing area; and **reduce trespass and vandalism** problems associated with the current informal trail system.



O.G. Herning and the Herning Trail

Orville G. Herning arrived in the area in the spring of 1898 representing the Klondike and Boston Mining Company. Herning was responsible for constructing the trail from Knik to the Willow Creek Mining District for transportation. In 1905, Herning built the Knik Trading Co.

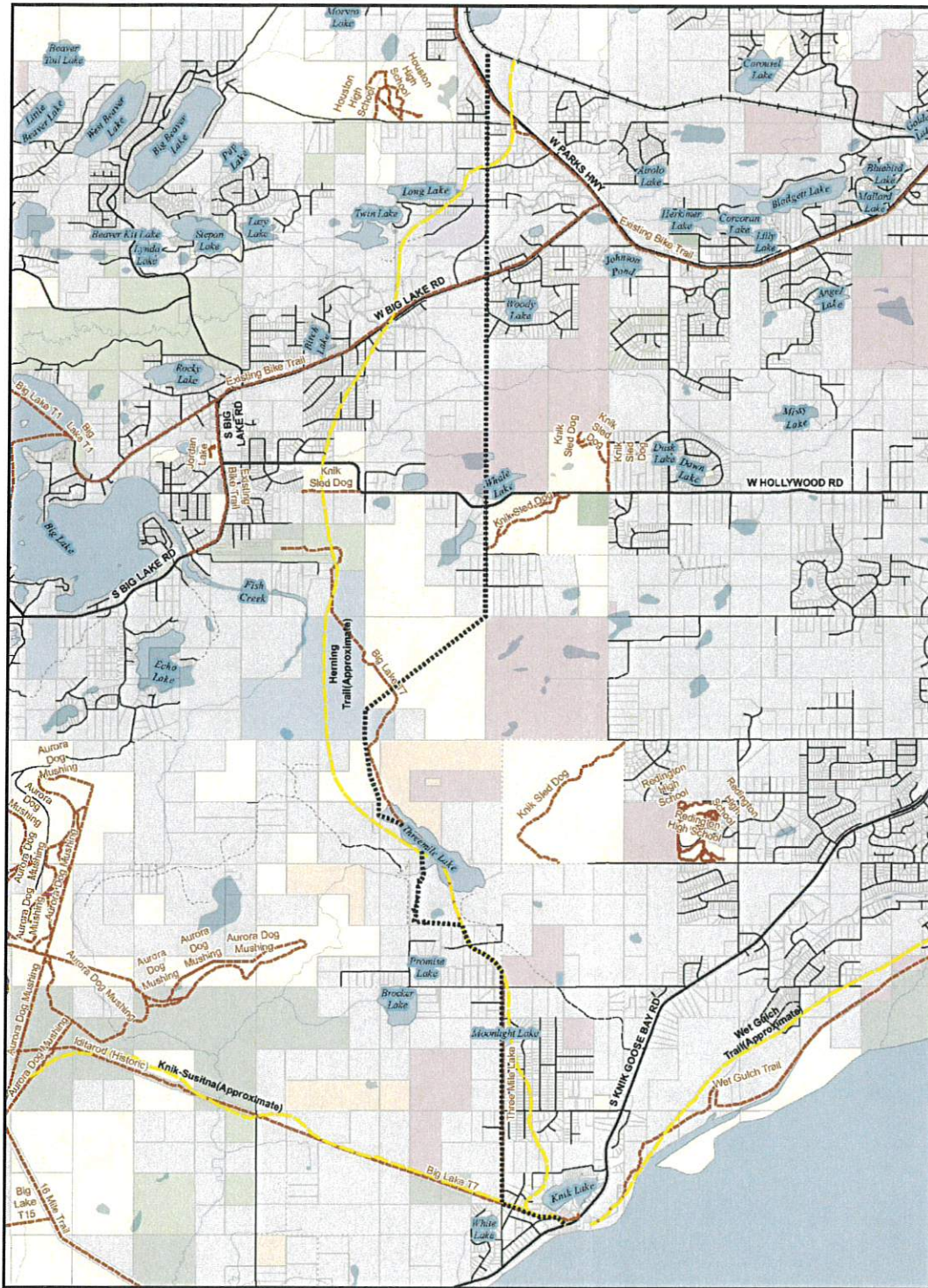
and operated it in Knik until 1917, when he moved his business to Wasilla. The Herning Teeland Mead Building still stands today on Boundary Avenue in Wasilla.



Join the Team!

The Mat-Su Borough is committed to partnering with landowners, local organizations, and other stakeholders throughout the project to understand concerns and meet community needs and interests. Contact Emerson Krueger, Mat-Su Borough Land Management Specialist, at ekrueger@matsugov.us for more information. You can also

download the adopted Herning Trail Concept Plan at <https://www.matsugov.us/plans>.



**Matanuska - Susitna Borough
Land and Resource
Management Division**



**Herring Trail Reroute
Knik to Parks Highway**



- Herring Trail Reroute
- MSB TRAILS
- RS 2477 TRAILS
- LAND STATUS
- BOROUGH
- CITY
- COOPERATIVE
- FEDERAL
- MENTAL HEALTH
- NA
- NATIVE CORP
- PRIVATE
- PUBLIC UNIVERSITY
- STATE
- NO DATA - LIKELY STATE
- TAXID MISMATCH



DATE: JANUARY 2020
 SOURCE: GIS, GIS, MAPS, AK DOT
 PROJECT: NAD RD AK ST PLAN 24
 LAYOUT: MSB
 AUTHOR: MSB LRMG

From: Alan Weitzner <AWeitzner@aidea.org>

Sent: Friday, January 24, 2020 4:24 PM

To: John Moosey <John.Moosey@matsugov.us>; Robert Power <rpower@alaskaasia.com>; Robert Bach <rbach@rgpc.com>; Penney, Clark (GOV sponsored) <clark.penney@alaska.gov>; Stacey Stone <SStone@hwb-law.com>

Cc: Mark Davis <MDavis@aidea.org>; Tomas Boutin <TBoutin@aidea.org>; Jesse H. Peterson <JPeterson@aidea.org>

Subject: West Susitna Road Access - Status Update and Phase 2

All,

I wanted to provide everyone an update on where we are at the moment on advancing the West Susitna Road Access project.

Regarding lidar:

- DNR DGGs can have the working dataset (DEMs) ready by the end of next week or at a time in coordination with HDR for the next phase – depending on what we as the working group would prefer.
- Based on preliminary information, area A1 quality was degraded because of snow and weather conditions (but still useable) which was expected.
- The rest of the AOI per DNR “looks pretty good”.
- There is a small triangle of area D (northern part) where it diverges from the main AOI that did not get collected due to hazardous flying conditions (low clouds).
- As a follow-up, DNR staff will also prepare a more polished deliverable with metadata and explanatory report.

Regarding Phase 2:

- HDR prepared a preliminary scope of work which was discussed with HDR today.
- They will be making several revisions with a revised draft to be provided by January 31 for distribution to the working group.
- The purpose and objectives of Phase 2 are proposed to achieve a Preliminary Engineering Report for the proposed routes with an Opinion of Probable Capital Cost.
- An additional component is the development of a Project Schedule with targeted timing of current and future work for input from the working group.
- The preliminary scope did not contain a proposed budget and this is one of the elements they will be providing to distribution to the working group by January 31.

Please let me know if you have any questions I can follow-up on.

All the best

Alan

Alan C. Weitzner

Chief Investment Officer

AIDEA | Alaska's Development Finance Authority
Direct: 907.771.3050 | Mobile: 907.744.8771
813 West Northern Lights Blvd. Anchorage, AK 99503
www.aidea.org | Investing in Alaskans



MATANUSKA-SUSITNA BOROUGH

Office of the Borough Manager

350 East Dahlia Avenue • Palmer, AK 99645

Phone (907) 861-8689 • Fax (907) 861-8669

John.Moosey@matsugov.us

January 27, 2020

Dr. Monica Goyette
Superintendent of Schools
Matanuska-Susitna Borough School District
501 North Gulkana Street
Palmer, Alaska 99645

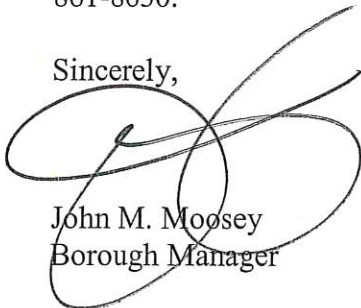
Dear Dr. Goyette:

In accordance with Matanuska-Susitna Borough code 3.04.046, Local Education Funding, I am notifying you of the Fiscal Year 2021 amount the Borough will budget. Based upon the January 20, 2020 preliminary assessment role, the estimated full and true value of taxable real and personal property is \$9,890,499,698.

As mandated by code at 6.30 mills, the local education funding will be \$62,310,148 for Fiscal Year 2021. This is a 2.71% increase over the Fiscal Year 2020 amount of \$60,665,932.

If you have any questions regarding the funding amount, please contact Cheyenne Heindel at (907) 861-8630.

Sincerely,



John M. Moosey
Borough Manager

Attachment: Preliminary Assessment Roll

1/20/2020 Report - ASMT 014-Prod

R-E-A-L P-R-O-P-E-R-T-Y T-A-X R-O-L-L V-A-L-U-E T-O-T-A-L-S

2020 Regular Roll

ASMT 014 NAR 1/20/2020

ZONE		APPRAISED	EXEMPT	DISABLED VET	SR. CITIZEN	FARM USE	ASSESSED		
005	LAND VALUE	\$153,771,200	\$28,070,068	\$1,948,500	\$10,508,308	\$0	\$113,246,324	2,756.96	Acres
	IMPR VALUE	\$700,751,085	\$284,237,803	\$5,410,200	\$41,040,949	\$0	\$390,082,133	2,092	Impr Cnt
	TOTAL VALUE	\$854,522,285	\$292,307,871	\$7,358,700	\$51,547,257	\$0	\$503,308,457	2,546	Parcels
012	LAND VALUE	\$50,069,700	\$7,865,866	\$173,400	\$2,681,550	\$0	\$39,348,884	12,759.77	Acres
	IMPR VALUE	\$141,063,928	\$29,825,214	\$1,543,500	\$10,671,364	\$0	\$99,023,850	1,020	Impr Cnt
	TOTAL VALUE	\$191,133,628	\$37,691,080	\$1,716,900	\$13,352,914	\$0	\$138,372,734	2,049	Parcels
013	LAND VALUE	\$362,283,900	\$50,315,100	\$2,627,300	\$19,123,700	\$0	\$290,317,800	6,928.91	Acres
	IMPR VALUE	\$1,207,476,164	\$269,316,900	\$5,769,800	\$43,803,097	\$0	\$888,586,367	3,186	Impr Cnt
	TOTAL VALUE	\$1,569,760,064	\$319,632,000	\$8,297,100	\$62,926,797	\$0	\$1,178,904,167	4,027	Parcels
NAR	LAND VALUE	\$2,855,565,800	\$481,391,198	\$36,921,300	\$254,341,308	\$0	\$2,082,911,994	1,143,023.75	Acres
	IMPR VALUE	\$8,192,347,870	\$1,225,529,782	\$91,498,022	\$520,452,440	\$0	\$6,354,869,626	40,066	Impr Cnt
	TOTAL VALUE	\$11,047,913,670	\$1,706,920,980	\$128,417,322	\$774,793,748	\$0	\$8,437,781,620	70,279	Parcels
=====									
CTY TOTAL	LAND VALUE	\$3,421,690,600	\$567,642,232	\$41,570,500	\$286,652,866	\$0	\$2,525,825,002	1,165,469.39	Acres
	IMPR VALUE	\$10,241,639,047	\$1,788,809,699	\$104,219,522	\$615,967,850	\$0	\$7,732,541,976	46,364	Impr Cnt
	TOTAL VALUE	\$13,663,329,647	\$2,356,551,931	*\$145,790,022	*\$902,620,716	z	\$10,258,366,978	78,901	Parcels
UTILITY TOTAL	LAND VALUE	\$0	\$0	\$0	\$0	\$0	\$0	0.00	Acres
	IMPR VALUE	\$0	\$0	\$0	\$0	\$0	\$0	0	Impr Cnt
	TOTAL VALUE	\$0	\$0	\$0	\$0	\$0	\$0	0	Parcels

* Estimated 10.8% growth over FY20, reflects some increase FY19 to FY20
 z Utilize FY20 #'s
 x Personal Property - utilize FY20 #
 z Build in reduction for LINTC & appeals

ALASKA STATE LEGISLATURE

Session:

State Capitol, Room 121
Juneau, Alaska 99801-2186
Phone (907) 465-2327
Fax: (907) 465-5241
Toll Free: (800)336-7383



Interim:

1292 Sadler Way
Fairbanks, Alaska 99701
Phone: (907) 456-8161
Fax: (907) 456-8163
Toll Free: (800)336-7383

Senator Click Bishop

SB 50 - Sponsor Statement

“Alaska Education Facilities, Maintenance, and Construction Tax”

From 1919-1980, Alaska had an annual employment head tax for the purpose of collecting revenues to fund schools. The tax went through numerous transformations, but it always charged an equal amount to each employed individual. When it was repealed in 1980, the tax was \$10 per person which has the equivalent value of \$30 today.

SB 50 proposes to revive the repealed head tax on employed individuals, both resident and nonresident, with income from a source in Alaska. The “Alaska Education Facilities, Maintenance, and Construction Tax” would collect \$30 from each person employed in the state. The tax would be withheld from an employee’s first paycheck each year while self-employed individuals would be required to remit payment to the Alaska Department of Revenue. The tax would be deductible on an individual’s federal income tax return.

According to the most recent statistics from the Alaska Department of Labor and Workforce Development and the U.S. Census Bureau, there are approximately 441,596 employed individuals in Alaska. Roughly 20% of those workers who earn their living in Alaska do not reside here resulting in \$2.5 billion in nonresident income that leaves Alaska’s economy each year and, in most cases, gets taxed by a nonresident’s home state.

It is estimated that this tax would generate \$13 million each year. The revenue collected would be deposited into the state’s general fund and accounted for separately to pay for the growing maintenance and construction needs of Alaska’s schools.

Please join me in supporting this bill.

State of Alaska Office of Management and Budget

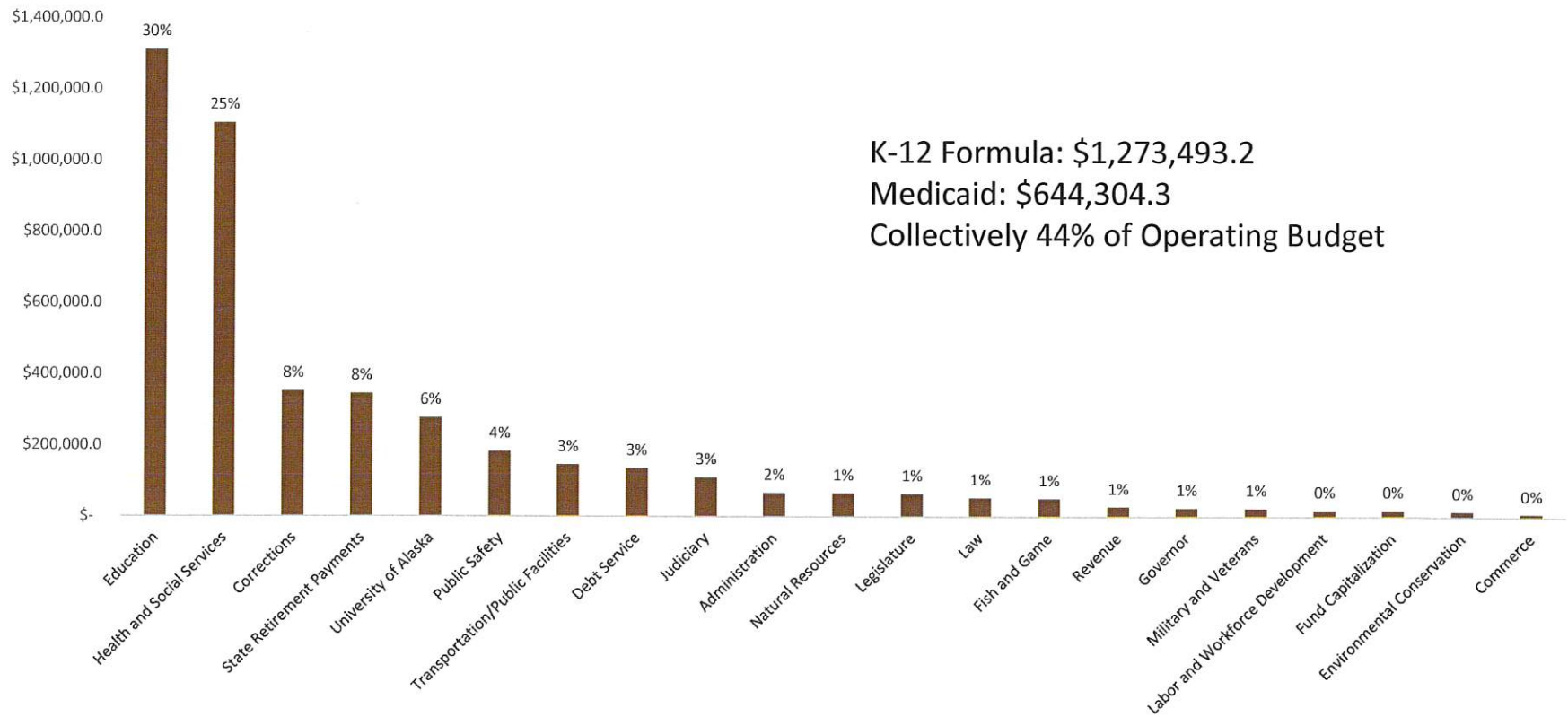
Senate Finance Committee FY2021 Budget Overview
January 28, 2020

Neil Steininger, Director
Brian Fechter, Chief Budget Analyst



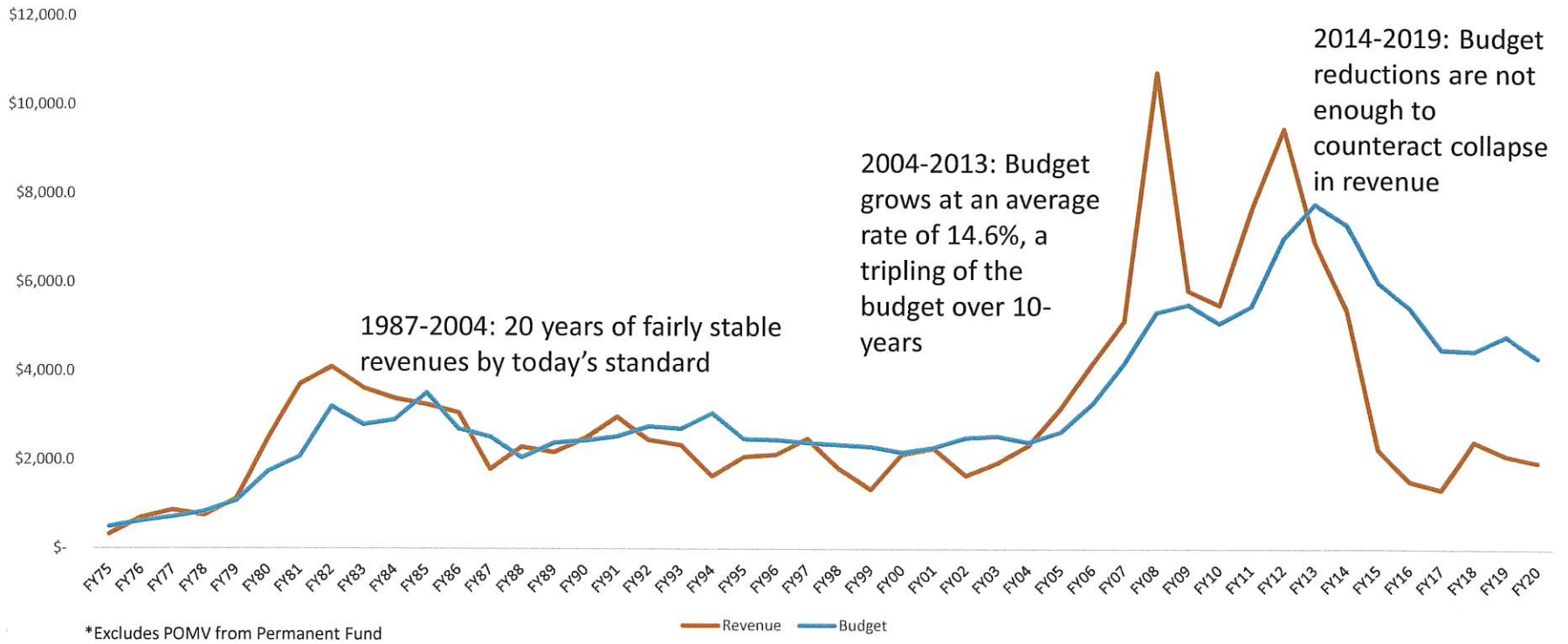
Office of Governor
MIKE DUNLEAVY

FY2021 Budget by Agency (UGF) - \$Thousands



Alaska's Revenue & Expenditures: Look Back

Alaska Revenue and Expenditure History - FY1975-FY2020 (\$Millions)



FY2021 Revenue Outlook - \$Millions

FY2021-FY2025 Projected Unrestricted General Fund Revenue (Source: Revenue Sources Book)					
Revenue Source	2021	2022	2023	2024	2025
Unrestricted General Fund Revenue	\$ 1,967.5	\$ 1,976.4	\$ 1,944.9	\$ 1,957.5	\$ 2,021.0
Gross POMV Transfer	\$ 3,091.5	\$ 3,095.0	\$ 3,262.0	\$ 3,378.0	\$ 3,460.0
Less Projected Payments of Permanent Fund Dividends	\$ (2,005.1)	\$ (2,247.7)	\$ (2,396.2)	\$ (2,231.3)	\$ (2,396.2)
Net POMV Transfer	\$ 1,086.4	\$ 847.3	\$ 865.8	\$ 1,146.7	\$ 1,063.8
Total Unrestricted General Fund	\$ 5,059.0	\$ 5,071.4	\$ 5,206.9	\$ 5,335.5	\$ 5,481.0
Total Unrestricted General Fund Statutorily Available for Government Use	\$ 3,053.9	\$ 2,823.7	\$ 2,810.7	\$ 3,104.2	\$ 3,084.8

FY2021 Revenue Sources

- ANS West Coast FY2021 Projection: \$59.00/Barrel
- Petroleum Revenue: \$1,410.0, 28%
- POMV Revenue: \$3,091.5, 61%
- Non-Petroleum and Non-Permanent Fund Investment Revenues: \$557.5, 11%



FY2021 Fiscal Summary

(Amounts in millions)	FY2020 Management Plan plus Likely Supplementals					FY2021 Governor					FY2020 to FY2021	
Revenues	UGF	DGF	Other	Federal	FY2020 Total	UGF	DGF	Other	Federal	FY2021 Total	UGF Change	UGF %
Annual Revenue	2,116.3	926.3	798.4	3,932.4	7,773.5	1,967.5	972.8	760.5	3,917.8	7,618.6	(148.8)	-7%
POMV ERA Draw to the General Fund	2,036.6				2,036.6	1,086.4				1,086.4	(950.2)	-47%
Carryforward	11.2	55.8	0.7	46.1	113.7	-	-	-	-	-	(11.2)	-100%
Total Revenue	4,164.1	982.1	799.1	3,978.5	9,923.8	3,053.9	972.8	760.5	3,917.8	8,705.0	(1,110.2)	-27%
Expenditures	UGF	DGF	Other State Funds	Federal	FY2020 Total	UGF	DGF	Other State Funds	Federal	FY2021 Total	UGF Change	UGF %
Total Operating	4,287.0	942.2	727.8	2,951.4	8,905.5	4,465.7	897.4	707.8	2,865.9	8,936.8	178.7	4%
Agency Operations	3,934.6	819.9	621.7	2,873.1	8,249.2	3,897.5	801.3	609.0	2,833.8	8,141.6	(37.0)	-1%
Statewide Operations	352.4	119.5	106.1	78.3	656.3	568.1	96.1	98.9	32.2	795.2	215.7	61%
Total Capital	146.8	39.8	71.3	1,027.1	1,285.1	135.6	75.5	52.7	1,051.8	1,315.6	(11.2)	-8%
Total Appropriations	4,433.8	982.1	799.1	3,978.5	10,193.5	4,601.3	972.8	760.5	3,917.8	10,252.4	167.5	4%
Surplus/(Deficit)	(269.7)					(1,547.4)					(1,277.8)	474%

Significant Highlights (\$Thousands)

- Public Safety Investment: \$84,566.7 UGF
- Alaska Development Team: \$2,843.6 DGF
 - Pilot program through FY2023
- Fully Funded K-12 Formula: \$1,273,493.2 UGF
 - \$19,817.4 UGF increase
- Estimated PFD: \$2,005,100.0 UGF (\$3,074 per Alaskan - Estimate)
 - Full Statutory Amount
- Capital Spending: \$135,639.2 UGF
 - Leveraging available Federal Funds (\$1.1B)



Significant Changes: Public Safety Capital and Operating: \$84,566.7 UGF

	\$ Thousands		\$ Thousands
Public Safety Investments	32,143.4	Corrections	28,022.4
Restoring General Funds to Power-Cost-Equalization funded to Public Safety Items	32,143.4	Drug Dog	253.2
		Re-Entry Staffing	746.1
Judiciary	1,959.6	Expanded Correctional Officer Recruitment	136.8
Additional Funding and Resources to the Court System Budget	1,959.6	Inmate Mail Copying	415.7
		ACOMs Database/Crime Stopper Software	450.0
Public Safety	13,459.0	Cost of Correctional System/Growth in Inmate Counts	24,710.6
Funding to Fill Current Trooper Positions (AST and AWT)	2,733.9	Body Scanning Equipment	1,310.0
Increase Number of Trooper Positions	7,599.1		
Dispatch in Anchorage	872.8	Administration	521.0
Increase Staffing for State Crime Lab	744.2	Public Advocacy/Public Defender Travel	155.0
CDVSA - Add Federal for Victims of Crimes Act Grant	-	Public Guardian Salary Support	250.0
Building Plan Review Turnaround Time Reduction	219.0	Bar Dues for Attorney Positions	116.0
NOAA Grant for Fisheries Enforcement	-		
Wildlife Troopers Equipment Repair and Replacement	1,000.0	Military and Veterans	8,461.3
Crime Laboratory Equipment Replacement	290.0	SATS/ALMR Upgrades and Maintenance	7,661.3
		Mass Notification System - JBER	800.0



Selected Department items - \$Thousands

Administration

- Public Defender and Advocacy Support: \$1,756.0 UGF
- OIT Capital Investments in Standardized Systems: \$5,370.0 UGF
- OIT and Personnel Consolidation Efficiencies: (\$3,728.3) Other

Commerce

- Alaska Development Team Pilot Program (FY20-FY23): \$2,843.6 DGF
- Community Assistance: \$28,731.5 DGF
 - Deposit per statutory calculation

Fish and Game

- Various Reductions to Research and Stock Assessments with Minimal Impact to Fisheries: (\$1,329.2) UGF



Selected Department items - \$Thousands

Education

- K-12 Aid to School Districts Fully Funded: \$1,260,501.9 UGF, \$29,774.2 Other
- Residential Programs for North Slope Borough School District and Lower Yukon School District: \$900.2 UGF
- Discontinue Online with Libraries Video Conference System: (\$232.9) UGF
- Outsource Federal Family Education Loan Program Servicing: (\$586.3) Other
- Transition Public School Trust Fund to Language Section to Maximize Investment Returns
- Additional Foundation Funding from Dividend Donations to the Dividend Raffle: \$488.2 Other
- Increase to Support WWAMI Contractual Obligation: \$50.8 DGF



Selected Department items - \$Thousands

Governor

- Cost of Statewide Primary and General Elections: \$1,847.0 UGF
- Deferred Maintenance: \$30,000.0 UGF

Health and Social Services

- Medicaid Services Cost Drivers: \$128,273.6 UGF
- Transfer Parents as Teachers from Dept. of Education: \$474.7 UGF
- Pioneer Homes Payment Assistance: \$5,000.0 UGF
- Add Authority for Electronic Visit Verification Maintenance and Operation: \$137.5 UGF, \$412.5 Federal
- Restore Adult Public Assistance Payment Maintenance of Effort Requirements: \$7,471.2 UGF
- Alaska Psychiatric Institute Projects to Comply with Corrective Action Plan: \$1,619.3 DGF
- Utilize Available Marijuana Education and Treatment Funds to Offset UGF: (\$11,400.0) UGF, \$11,400.0 DGF



Selected Department items - \$Thousands

Labor & Workforce Development

- 4% AVTEC Tuition Increase: \$250.0 DGF
- AVTEC: Restructuring Savings: (\$226.7) UGF

Military and Veterans Affairs

- Business Process and Contractual Savings: (\$523.0) UGF
- Armory Divestiture Savings: (\$50.0) UGF

Natural Resources

- Aquatic Farm Application Processing: \$187.3 DGF
- Land Sales Fairbanks Project Development Team: \$98.8 SDPR
- Arctic Strategic Transportation and Resources (ASTAR) - Phase 2: \$2,900.0 UGF
- Geological Mapping for Energy Development (USGS): \$600.0 UGF, \$600.0 Federal
- Critical Minerals Mapping - Earth MRI (3DEEP): \$750 UGF, \$200.0 Other, \$1,500.0 Federal
- Geologic Materials Center Multispectral Scanning Equipment: \$1,290.0 (UGF, DGF, Other)



Selected Department items - \$Thousands

Revenue

- PFD Division Technology Enhancements: (\$527.6) Other
- Investment Management Fee Savings (Treasury): (\$5,000.0) Other
- Investment Management Fee Savings (Permanent Fund): (\$21,098.1) Other
- Move Tax Revenue Management System Costs to Operating \$1,650.0 UGF
- AHFC Homeless Assistance Project: \$6,350.0 UGF, \$950.0 Other

Transportation

- Marine Highway: \$3,903.2 UGF, \$1,507.0 DGF increase to increase weeks of service from 254.3 to 263.1 (8.8 week increase)
- Deposits to the AMHS Fund: \$16,088.9 UGF
- AMHS Vessel Certification: \$15,000.0 DGF
- Highway and Aviation Match:
 - \$64,295.1 UGF, \$10,858.3 Reappropriations, \$1,946.6 DGF: Leverages Federal at 90%/10%

University

- Reduction per compact: (\$25,000.0) UGF
- Single appropriation



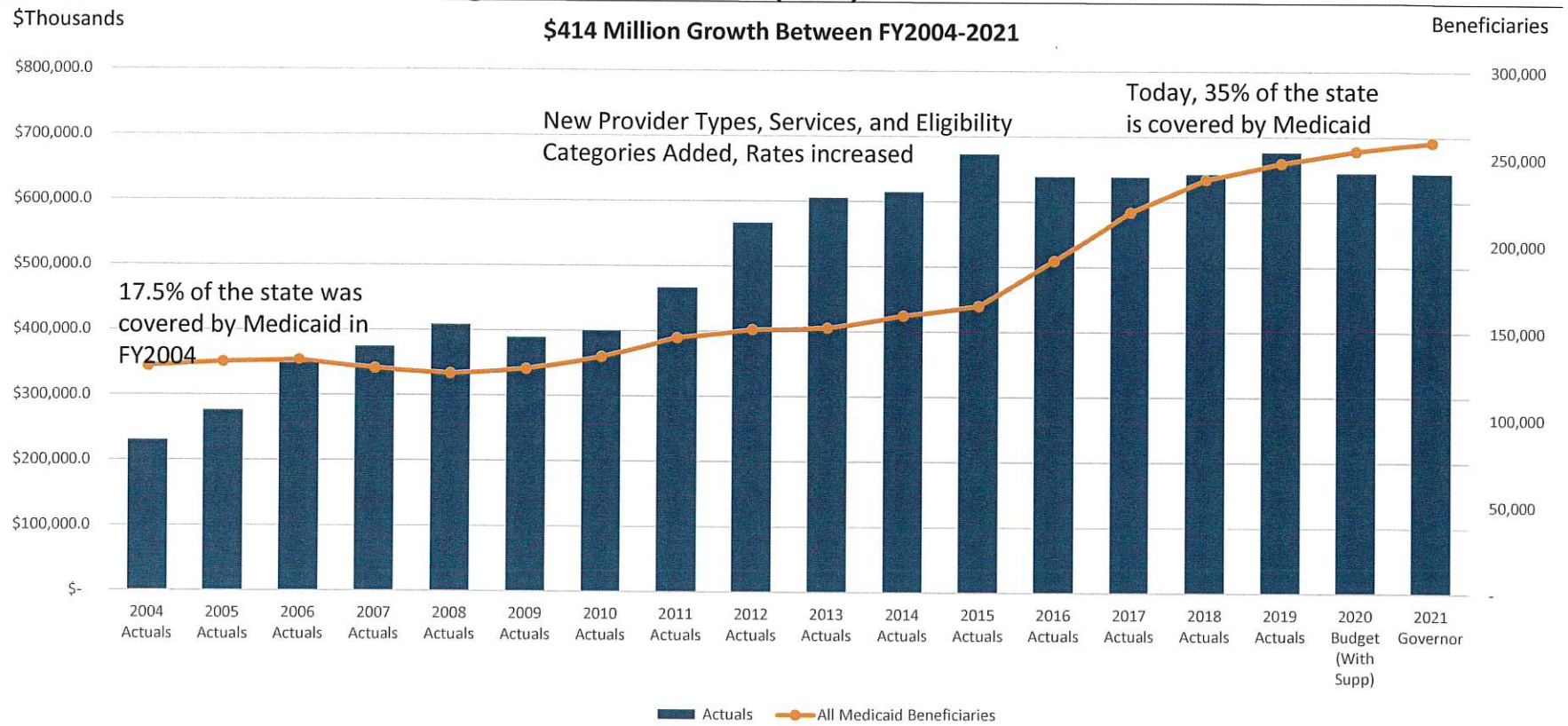
Budget Drivers – \$Thousands

- Medicaid
 - Restore \$128,273.6 UGF
- K-12 Formula
 - \$19,817.4 UGF increase
- Retirement
 - \$37,631.3 UGF Increase to a total of \$345,567.4 UGF
- Debt
 - \$12,233.7 UGF increase to a total of \$134,987.0
- State Employee Costs (Cost of Living Adjustments and Health Insurance)
 - \$9,661.5 UGF, \$18,782.9 All Funds increase
 - 28% of Agency Budget

Executive Branch Position Counts (Exc'l University, Legislature, Judiciary)					
	FY2018	FY2019	FY2020	FY2021	Filled 12/15/19
Full-Time	15,298	15,466	15,656	15,468	14,245
Part-Time	1,362	1,336	1,314	1,272	165
Non-Perm	380	389	426	411	737

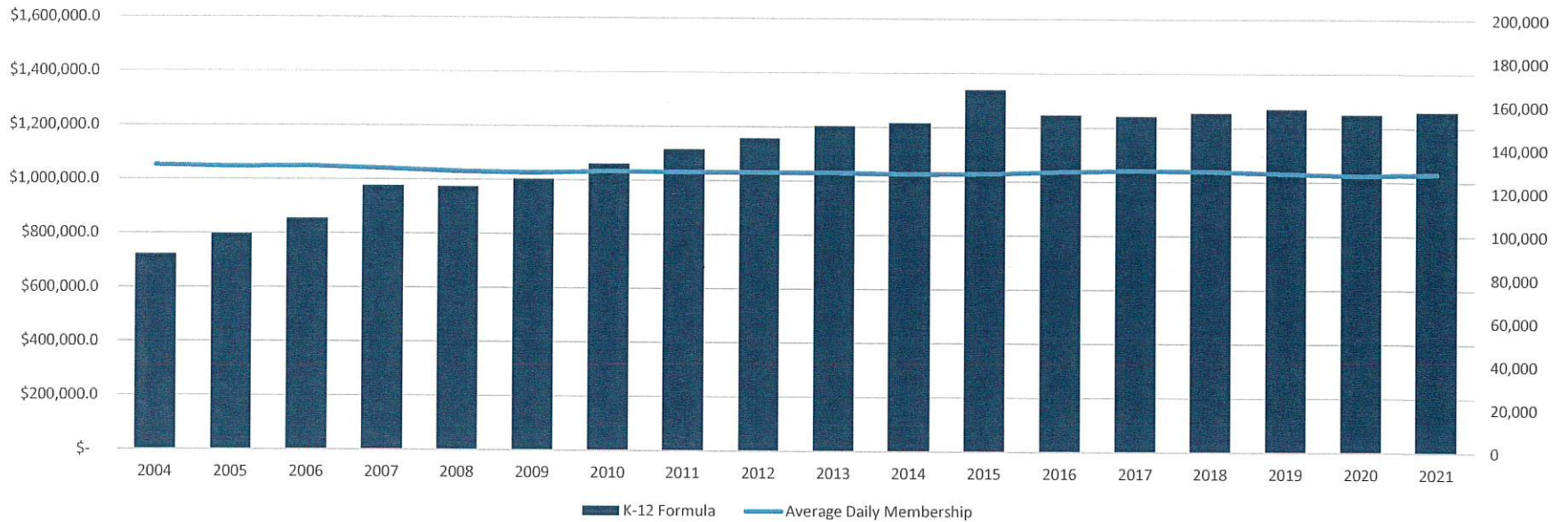


Budget Drivers: Formula Programs – Medicaid (UGF)



Budget Drivers: Formula Programs – K-12 Foundation Formula

\$538 Million Growth Between FY2004-2021

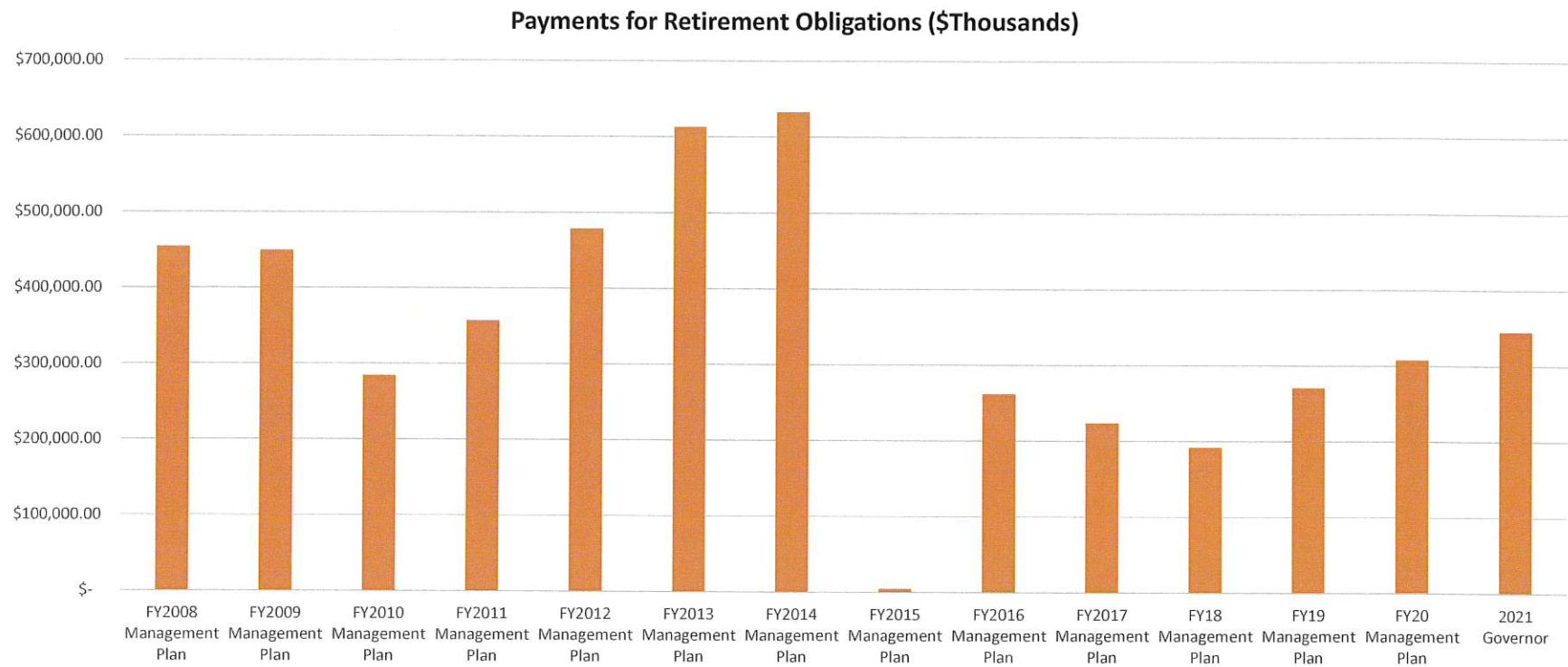


2012: Local contribution decreased from 4.0 mills to 2.65 mills.

Base Student Allocation increases from \$4,169 to \$5,930 per student, 42%



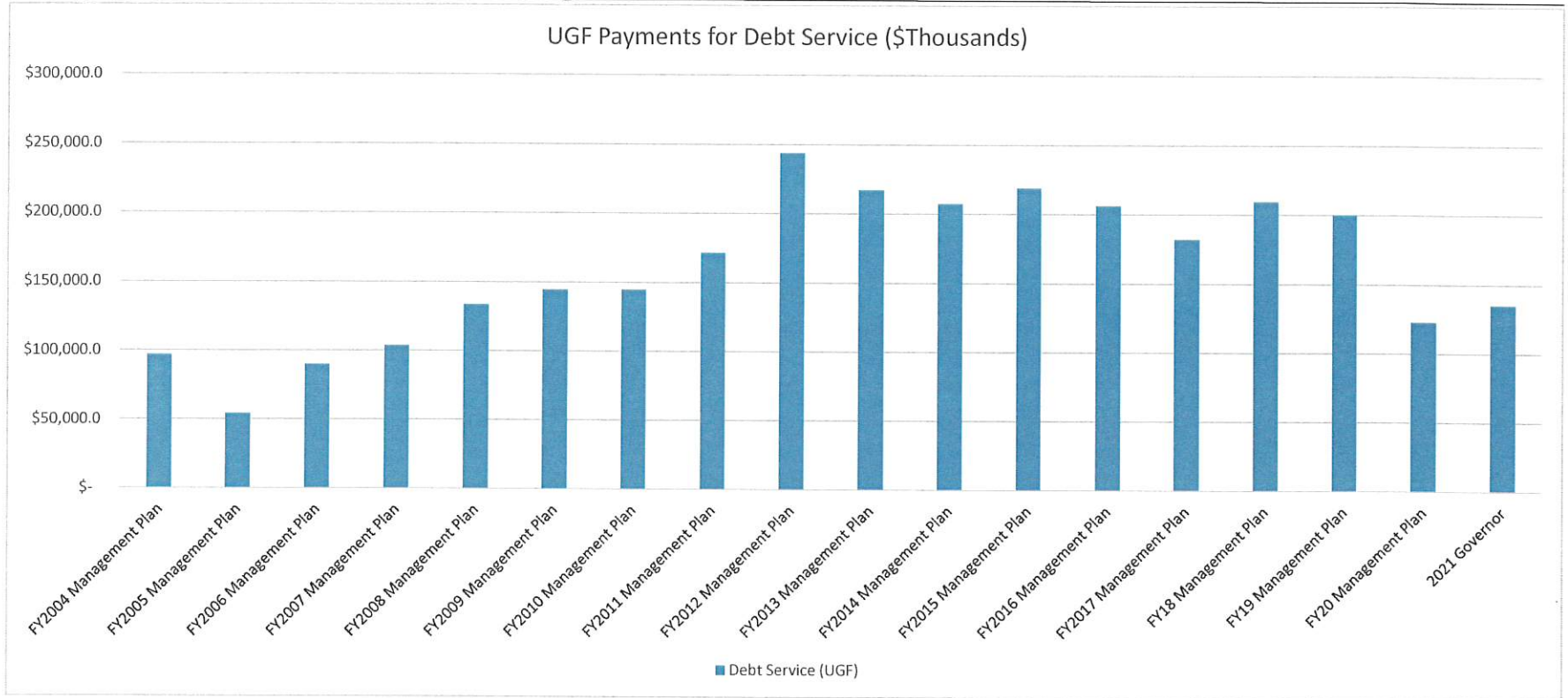
Budget Drivers: Pension Liabilities



*Table excludes \$3.0 billion retirement deposit in FY2015

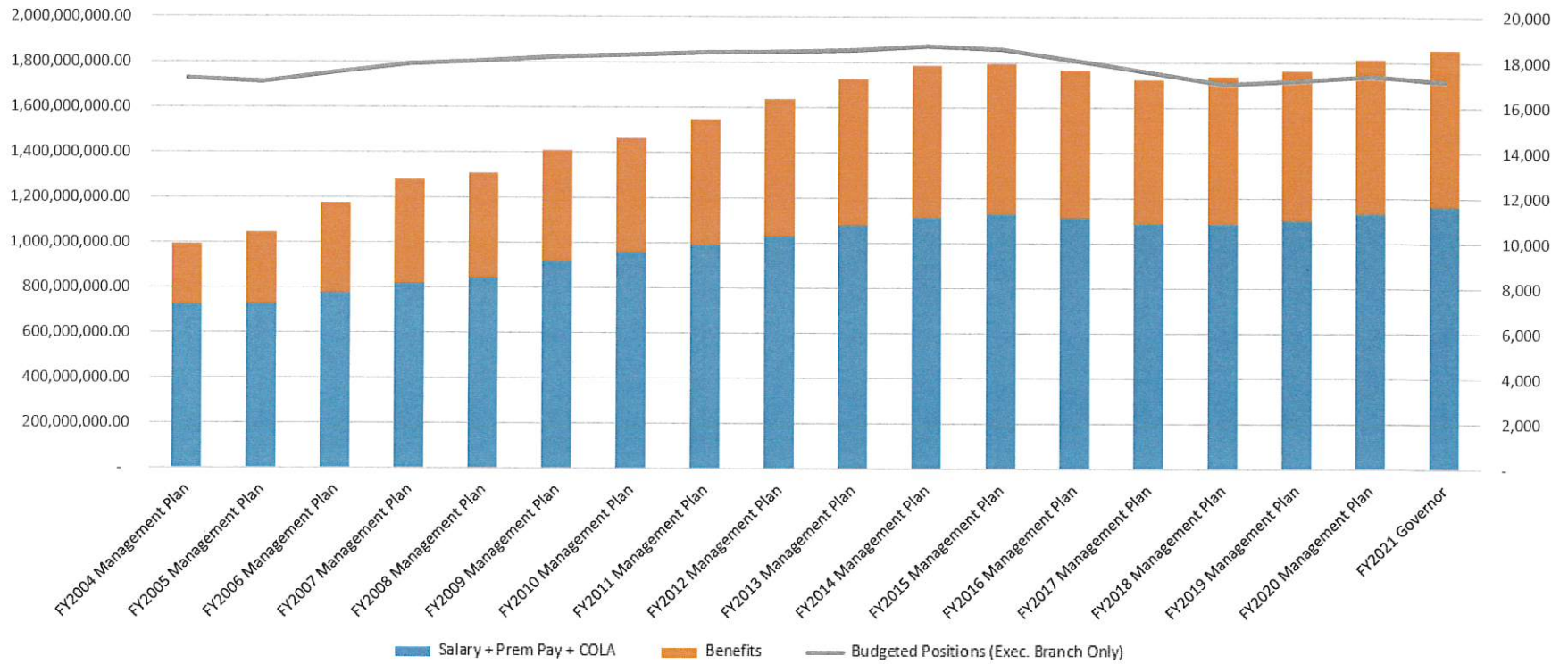


Budget Drivers: Debt Service Obligations



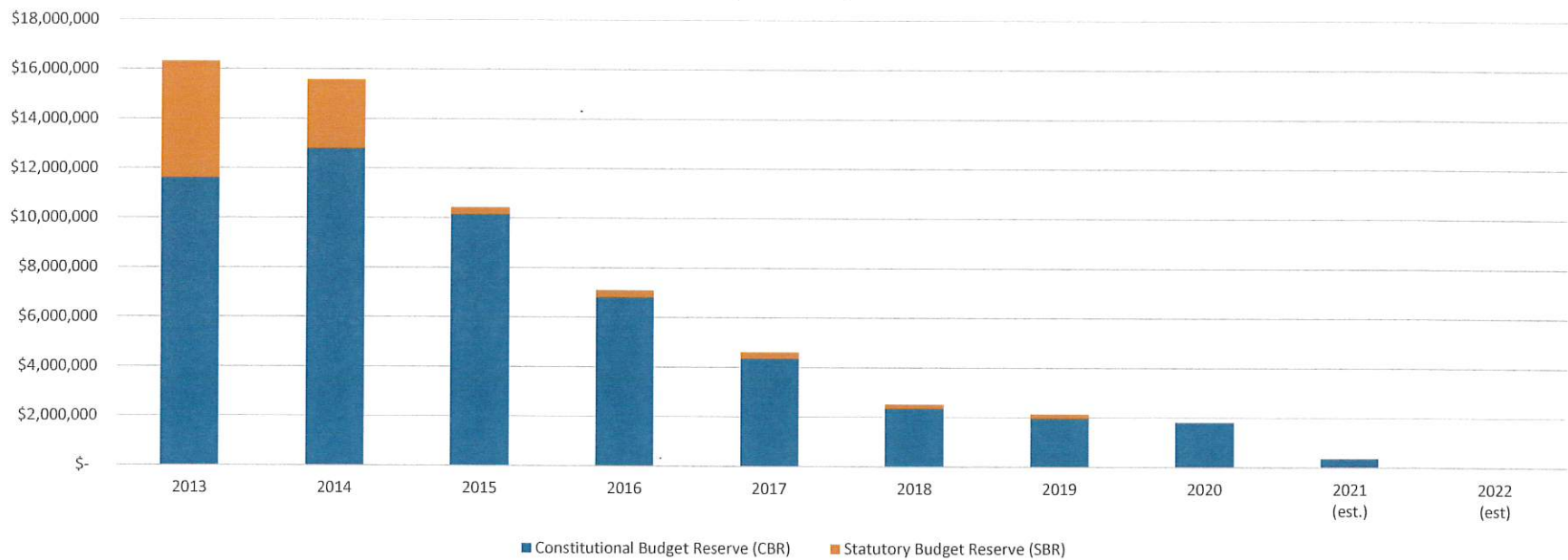
Budget Drivers: State Employee Costs

Executive Branch Personnel Budget



Historical CBR/SBR Balances

Budget Reserve Balances at End of Fiscal Year
Statutory and Constitutional Budget Reserve
(\$Thousands)



- Over \$16 Billion in budget reserves have been spent.
- \$542.4 million estimated remaining in the CBR at the end of FY2021.



Questions



Office of Governor
MIKE DUNLEAVY

**Department of Fish & Game
Division of Commercial Fisheries
Return on Investment**



**Presentation to House Fisheries Committee
January 28, 2020**



Economic Value of Commercially Harvested Alaska Seafood

According to a 2019 McDowell Group presentation *Alaska Seafood Industry Update*:

- Largest private sector employer in Alaska
- Directly employs almost 60,000 workers annually, more than any other industry in Alaska
- Contributes \$172 million directly in taxes, fees, and self-assessments which help fund state, local and federal government
- Alaska seafood contributes an annual average of \$5.6 billion in economic output to the Alaska economy
- Alaska exports over 1 million metric tons of seafood each year, returning over \$3 billion of new money into the U.S. economy



General Fund Revenue for Division of Commercial Fisheries

Revenue Sources 2018	Amount Retained by State Agencies (GF)	Total Amount of Revenue
Taxes		
Fisheries Business Tax ¹	\$ 21,233,058	\$ 46,228,406
Fisheries Resources Landing Tax ¹	\$ 3,464,070	\$ 9,736,239
Marine Motor Fuel Tax ^{1,2}	\$ 2,853,113	\$ 2,853,113
Corporate Income Tax (FY2018) ³	\$ 3,179,000	\$ 3,179,000
Agency Fees and Cost Recovery		
CFEC Permit and Vessel Fees - net revenue ⁴	\$ 7,058,600	\$ 7,058,600
Crew License Sales ⁵	\$ 2,466,475	\$ 2,466,475
Test Fishery Receipts ⁵	\$ 2,631,428	\$ 2,631,428
Total	\$ 42,885,744	\$ 74,153,261

¹Department of Revenue, Tax Division, Annual Report 2018

²Assumed to be 50% of total Marine Motor Fuel Tax based on McDowell Group 2017 Economic Value of Alaska's Seafood Industry report

³Department of Revenue, Tax Division, Non-Petroleum Corporate Income Tax Collections by Sector, FY2016-FY2019

⁴Commercial Fisheries Entry Commission, Conservation with Executive Director

⁵State of Alaska ALDER inquiry, November 11, 2016



Division of Commercial Fisheries Budget Overview – Funding

	FY2020 Mangement Plan	FY2021 Governor
Funding		
Federal Receipts	10,178.0	10,204.2
General Fund Match	485.2	438.7
General Fund	37,528.7	36,650.9
General Fund Program Receipts	2,411.8	2,417.2
Interagency Receipts	1,016.8	1,021.5
Exxon Valdez Oil Spill Settlement	201.9	201.9
Fish & Game Fund	269.2	269.2
Capital Improvement Project Receipts	1,510.6	1,515.5
Statutory Designated Program Receipts	5,816.1	5,837.2
Test Fisheries Receipts	3,419.3	3,425.2
Commercial Fisheries Entry Commission Receipts	5,126.3	5,135.9
Funding Totals		
Unrestricted General Fund	38,013.9	37,089.6
Designated General Fund	10,957.4	10,978.3
Other	8,814.6	8,845.3
Federal	10,178.0	10,204.2
Total	67,963.9	67,117.4



Industry Tax Revenues

- McDowell Group estimates that of the taxes and fees collected
 - 43% or \$73 million goes to state government
 - 30% or \$51 million goes to local governments
 - 23% or \$40 million goes to salmon hatchery management
 - 5% or \$8 million goes to the federal government

Source: McDowell Group, *The Economic Value of Alaska's Seafood Industry*, January 2020



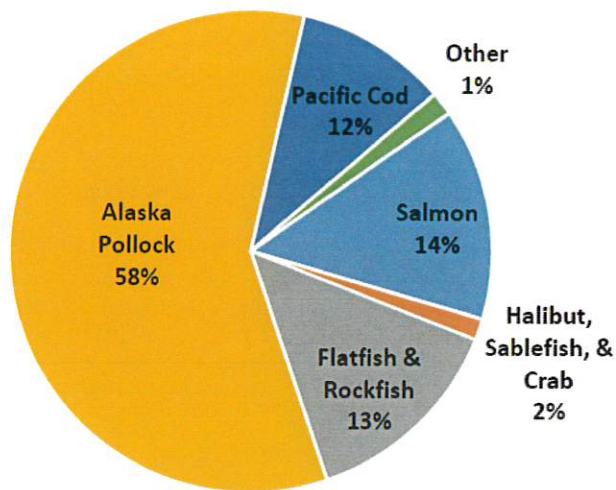
	2018, \$Millions
Taxes	\$85.3
Fisheries Business Tax	\$46.2
Fisheries Resources Landing Tax	\$9.7
Marine Motor Fuel Tax	\$3.0
Corporate Income Tax	\$3.2
Local Raw Fish and Other Taxes	\$23.1
Agency Fees & Cost Recovery	\$64.6
CFEC Permit and Vessel Fees	\$7.5
Crew License Sales	\$3.3
Test Fishery Receipts	\$3.0
Processing/Mariculture/Other Fees	\$1.5
Salmon Hatchery Cost Recovery*	\$40.0
Federal Cost Recovery Fees - Federal Share	\$4.4
Federal Cost Recovery Fees - State Share	\$1.5
Federal Observer Program	\$3.4
Industry Self-Assessments	\$22.3
Seafood Marketing (ASMI)	\$9.9
Salmon Enhancement	\$9.1
Seafood Development (RSDAs)	\$2.8
Dive Fishery Management	\$0.5
Total	\$172

Note: Data are for FY 2018. Totals may not sum due to rounding.

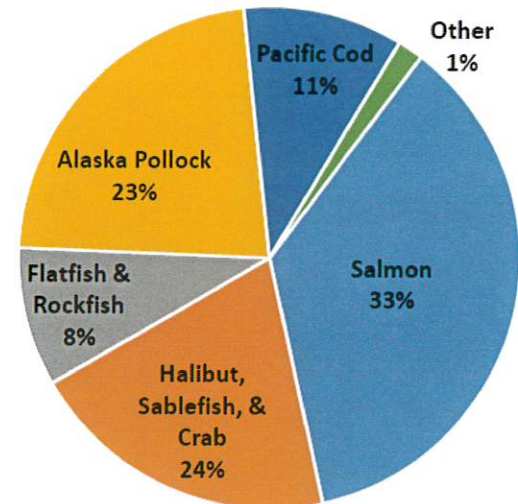
*Earnings are retained by salmon hatcheries.

Sources: ADOR, CFEC, DCCED, ADF&G, NMFS, OMB, & McDowell Group.

2017-2018 Annual Average Ex-vessel Volume and Value by Species Group



Ex-vessel Volume
5.8 Billion Pounds



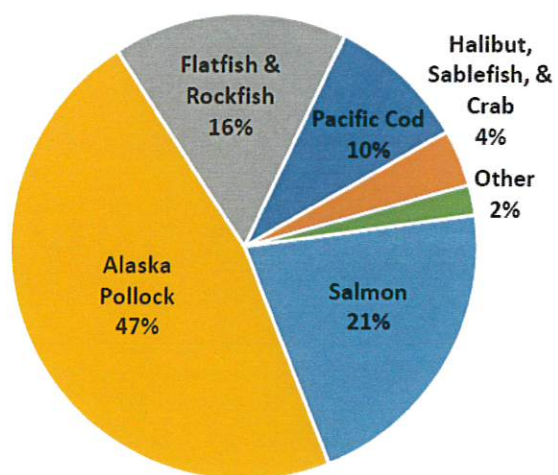
Ex-vessel Value
\$2.0 Billion

Source: NMFS and ADF&G; compiled by McDowell Group.
Some 2018 figures are preliminary.

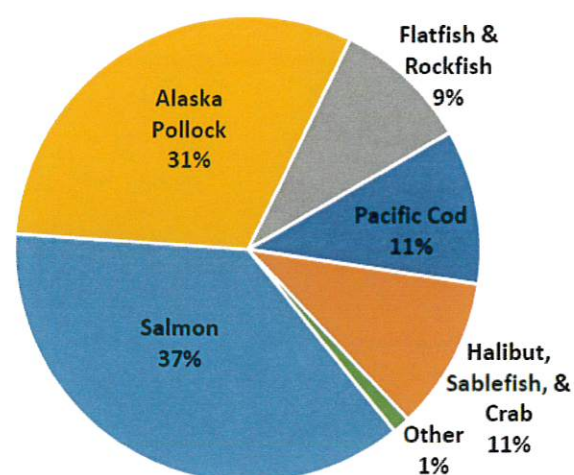
Source: McDowell Group, Pacific Marine Expo Presentation, *Alaska Seafood Industry Update*, November 22, 2019



2017-2018 Annual Average First Wholesale Volume and Value by Species



First Wholesale Volume
2.8 Billion Pounds



First Wholesale Value
\$4.7 Billion

Source: NMFS and ADF&G; compiled by McDowell Group.
Some 2018 figures are preliminary.

Source: McDowell Group, Pacific Marine Expo Presentation, *Alaska Seafood Industry Update*, November 22, 2019



Other Support Provided

The Division of Commercial Services provides services that are critical to management of

- Subsistence Fisheries
- Personal Use Fisheries

Data collected by the division is shared across the department for various uses.

The division also shares the cost of certain projects and facilities with other divisions in the department.



Thank you
Questions?



THE STATE
of ALASKA
GOVERNOR MICHAEL I. DUNLEAVY

Matanuska-Susitna Borough



January 28, 2020

Mr. Dan Britton
Fairbanks Natural Gas
3408 International Street
Fairbanks, AK 99701

Dear Mr. Britton,

Thank you to you and Mr. Zane Wilson for the discussion on Wednesday, January 22 on the proposed expansion of the FNG plant and project. We are pleased to hear of the large impact of reduced energy costs to our Fairbanks area friends.

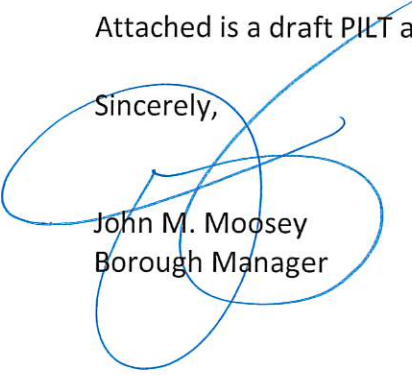
I appreciate your understanding of our concerns with the increased impact on delivered Borough services. Currently the mill rate for a homeowner or business is 14.329 (10.836 Areawide, .573 Non-Areawide, 2.92 RSA).

We understand that you have applied for a tax exemption that is currently under review. You have stated that the economics of this project are thin and the full tax burden puts the project at the make or break point.

We are requesting that we enter into a Payment in Lieu of Taxes. The amount would be 3.5 mills (3 mills RSA, and .5 mills for general borough services). The Matanuska-Susitna Borough would notify your organization the dollar amount required for the PILT by July 1st each year payable within 60 days. In the alternative we would be willing to discuss a fixed dollar amount. We believe that this request is reasonable without placing an unfair burden on our taxpayers and supporting your efforts to supply your constituents with lowest cost energy.

Attached is a draft PILT agreement.

Sincerely,


John M. Moosey
Borough Manager



AGREEMENT

This Agreement entered into this ___th day of February 2020, by and between the Interior Gas Utility (“IGU”), and the Matanuska-Susitna Borough (“MSB”).

In consideration of the recitals and of the mutual covenants set forth, the parties do hereby agree as follows:

1. The Alaska Industrial Development and Export Authority (the “Authority”) proposes to issue conduit revenue bonds in a principal amount in excess of \$10,000,000 to provide funds to IGU to finance a portion of the costs of the acquisition, expansion, renovation, furnishing, and equipping of certain liquefied natural gas facilities and/or expansion of storage facilities located at or near 25849 West Ayrshire Road, Big Lake, Alaska, (collectively, the “Project”). The Project is within the boundaries of the MSB.
2. Under AS 44.88.095(c), the Authority must obtain a certified copy of a resolution of the governing body of the political subdivision of the state in which the Project is located consenting to the location of the Project.
3. The IGU has requested that the MSB adopt a resolution meeting the requirements of AS 44.88.095(c).
4. In evaluating the impacts of the Project upon the community in which it is located, the MSB Administration has concerns over the provisions of public services and the burden the Project will place upon those services.
5. The IGU has applied for an exemption of real property taxes which would otherwise be applicable to the Project.
6. The IGU has maintained that their Project is charitable in nature to provide a much needed benefit to the residents of the Fairbanks North Star Borough (“FNSB”) by providing natural gas for the betterment of the community.
7. The Project will place additional burden on the MSB local road infrastructure in the area, and the Project may also have impacts on the provision of services such as ambulance, permitting, and planning services.
8. If the property is tax exempt, these burdens will be borne by the local residents of the MSB who will be paying taxes to support the local governmental services delivered to the Project, while the Project itself will not contribute to the provision of local governmental services.
9. Even if IGU property is found to be taxable at the present time, IGU may amend its ownership, bylaws, or operations to become tax exempt in the future, or changes to law may make it tax exempt in the future.

10. The MSB Administration is not willing to support a project location which results in financial burdens and impacts to local MSB residents when the Project is tax exempt because it alleviates cost for the FNSB residents.

11. The IGU is requesting that the MSB consent to the location of the Project in February 2020 and there is not enough time for the MSB Administration to fully analyze the issues surrounding impacts and taxability.

12. To alleviate these concerns and ensure the Project assists in defraying the impact it will have in its location and on the community, the MSB and the IGU agree that a Payment in Lieu of Taxes ("PILT") is appropriate.

13. With this PILT Agreement in place, the MSB Administration will advocate for full approval of the project by the MSB Assembly in February 2020 even though full impacts to the community may not be known.

14. This Agreement will apply only to the property owned by IGU at 28549 West Ayrshire Road to the extent that it receives approval by the MSB Assessor as being tax exempt under federal, state, or local law after following the applicable application procedures of the MSB. Tax exemption decisions are subject to appeal to the state superior court pursuant to AS 29.45.200 and MSB 3.15.030.

15. During such period in which the property at 28549 West Ayrshire Road is exempt from property taxes levied or imposed by the MSB, the IGU shall make annual payments of Payments in Lieu of Taxes ("PILT") to the MSB instead of real property taxes in payment for public services and facilities furnished from time to time without other cost or charge.

16. If the ownership or use of the Project property changes, the IGU agrees to immediately advise the MSB of the change so that MSB can reassess the Project property tax status.

17. Each such annual payment of PILT shall be made at the time when real property taxes on such Project property would be paid if it were subject to taxation and shall be in an amount equal to the following:

[AMOUNT NEEDED OR CALCULATION TO BE PUT HERE]

18. If the annual PILT is not received by the MSB as of the due date as specified herein, interest will accrue at the rate of 10% per annum from the date due until paid.

19. IGU agrees that to enforce payment, the MSB may file a civil suit for any remedy available to collect the delinquent PILT payments and interest and/or an action for specific performance of this agreement. In the event the MSB files any such enforcement action, MSB shall be entitled to full attorneys' fees and costs regardless of remedy obtained or amount recovered.

20. During the period commencing with the tax exemption of the property at 28549 West Ayrshire Road, and continuing so long as such property is exempt, the MSB, without additional

From: Karl Ohls <kohls@northstargrp.com>

Sent: Monday, February 3, 2020 9:06 AM

To: John Moosey <John.Moosey@matsugov.us>; Nicholas Spiropoulos <Nicholas.Spiropoulos@matsugov.us>

Cc: Mary Miller <Mary.Miller@matsugov.us>; Jack Ferguson <Jack@jackferguson.com>; Grant Ackerman <grant@northstargrp.com>; Tom Elkins <tom@jackferguson.com>; Veronica Slajer <vaslajer@northstargrp.com>

Subject: Congressional earmarks re-considered

John and Nick,

The U.S. House of Representatives is giving serious consideration to lifting the ban on congressional earmarks or "community project funding," to use the new preferred term. See below for a series of stories on this subject, in order of newest to oldest. I underlined the information that I thought was particularly significant.

The first story discusses an upcoming House decision about earmarks. The second story covers the Senate reaction and more of the politics involved in such a change. The third and fourth stories provide details about the House initiative on this issue. The fifth story was published in 2019 and provides a lot of background information about earmarks and the long and sharp debate over whether Congress should or should not have this authority.

Hard to say if congressional control over specific project spending will actually make any progress in this Congress, but this appears to be the most serious discussion over this issue that we've heard for a long time.

Karl

House earmarks decision likely next week, Lowey says

Resuming practice would mean members could push projects for their districts

Posted Jan 30, 2020 / [Jennifer Shutt](#) / Roll Call

House Appropriations Chairwoman [Nita M. Lowey](#) indicated Thursday that the word would come down as soon as the week of Feb. 3 on whether lawmakers would be able to seek special projects for their districts in next year's spending bills.

The New York Democrat's comments follow weeks of behind-the-scenes conversations during which she has begun to formulate how the House might bring back the controversial earmarking process during an election year. She's also sought to assuage fears from Democrats in swing districts who have concerns about how the practice could impact them in November.

"We are just having discussions and we'll see the response next week," Lowey said.

Making a decision next week would set the stage for the beginning of the annual appropriations process, which is slated to kick off Feb. 10 when President Donald Trump sends his fiscal 2021 budget request to Congress.

Any return of earmarks, however limited, would represent the first time since 2011 that lawmakers have a more direct hand in determining where federal funding goes. That was the year House Republicans wrote a prohibition into their conference rules, and senators on both sides of the aisle also began observing an earmark moratorium.

After Democrats regained the House last January, they had a similar conversation about possibly bringing back earmarks, before opting against it. But party leaders have now rebranded the special line items as "community project funding" in an effort to try to restore lawmakers' "power of the purse," while holding discussions over the past few weeks within the Democratic Caucus.

Lowey said Thursday that the time for discussion was fast coming to an end. “People come over and say ‘yes’ or ‘no’ and at some point it’ll be too late,” she said. “We’ll see where we are next week.”

Senate Appropriations Chairman Richard C. Shelby, an Alabama Republican, said Tuesday he didn’t think Republicans in his chamber would agree to lift their conference’s earmark ban. That could cause problems later this year when Democrats ultimately conference their spending bills with the Senate, if that chamber leaves its ban in place. That’s why some House lawmakers have cautioned a restoration of “community project funding” won’t work unless Republicans go along.

Shelby skeptical of nascent House discussions on earmarks

‘The Republican Caucus is on record against that,’ Senate Appropriations chairman says

Posted Jan 28, 2020 / Jennifer Shutt / Roll Call

Senate Appropriations Chairman Richard C. Shelby said it’s unlikely Republicans in his chamber will bring back spending bill earmarks, regardless of what the House decides.

“The Republican Caucus is on record against that, so that’s not going to go anywhere right now,” the Alabama Republican said Tuesday. Himself a prolific earmarker before the practice stopped in 2011, Shelby declined to discuss his personal views on the topic at this point. “I’m part of the [GOP] caucus and the caucus is not going to support that. So unless the caucus is involved it won’t happen,” he said.

Nonetheless, House Majority Leader Steny H. Hoyer hinted Tuesday that he’s already talking with Republicans in both chambers about bringing back special home-state projects, known as earmarks, in some form as lawmakers prepare for the next appropriations cycle.

“You would be surprised if I hadn’t talked to both the Senate Dems and Republicans, and the House Dems and Republicans, and you would be correct in your surprise if I had not done that,” the Maryland Democrat told reporters at a Tuesday briefing. “How’s that work? A somewhat opaque answer.”

Members of both parties have pushed to bring back earmarks since House Republicans wrote a ban into their conference rules in 2011. Democrats discussed bringing back earmarks when they regained control of the House in January 2019 but opted not to for the fiscal 2020 spending process.

House Appropriations Chairwoman Nita M. Lowey, D-N.Y., has begun conversations with committee members as well as more broadly among the Democratic Caucus. Lowey and Appropriations subcommittee “cardinals” met Tuesday with freshman lawmakers and others considered vulnerable in the 2020 elections, telling CQ Roll Call later that the group had a “good, healthy” conversation.

But Lowey said others, including Speaker Nancy Pelosi, also need to weigh in. “A lot of members are interested, and we just have to be sure that if we move ahead we do it in the right way,” she said.

Freshman Rep. Donna E. Shalala, D-Fla., said after the meeting that lawmakers’ communities would love to have earmarks back but that she wants to see a final proposal before deciding if she’d support restoring the practice.

Other freshmen declined to comment or hadn’t formed opinions yet.

“It was certainly a discussion,” said Max Rose, a Democratic freshman who flipped a Republican-held district last cycle in a New York district that Trump won in 2016. Rose said appropriators did not provide a timeline for when they’d have a more formal proposal to present. “I’ve got lots of questions about this,” he said.

“I just went to hear them out,” said Anthony Brindisi, who, like his New York colleague Rose, flipped a GOP seat in a Trump district. “I haven’t formulated an opinion one way or the other.”

Inside Elections with Nathan L. Gonzales counts Rose and Brindisi among the most vulnerable Democrats in the 2020 elections, rating both of their races Toss-ups.

A House Democratic aide who wasn’t authorized to speak publicly said after the meeting that the meeting was “constructive” and that there is “general support for increased congressional involvement in funding community projects and for reforms to ensure public trust in such a process.” Discussions would “continue in the coming days,” the aide added.

‘Not tenable’

It’s likely incumbent on a bicameral deal to restore line items for members’ states and districts in spending bills. Otherwise, House lawmakers could be in the uncomfortable position of promising to direct federal funds without much likelihood of securing them in the final spending bills. And senators would find themselves unable to crow about aiding their constituents in the same way House members could with pre-election press releases.

Shalala said she first wanted to gauge “whether there’s a bipartisan effort to put [earmarks] back in.”

House Transportation-HUD Appropriations Chairman David E. Price, D-N.C., favors bringing back earmarks but said it is not feasible without support from House Republicans and the Senate.

“You don’t want one party not being part of the process and carping at the process,” he said. “That’s simply not tenable.”

But Price said that support could come in stages. “I’m not necessarily saying that before we do any of this or experiment with it that all boxes need to be checked,” he said. “We just have to see how we might proceed and what kind of support we can count on and then hope that we can have near unanimity about this at the end of the day.”

Senate Republicans have a “permanent” ban on earmarks, imposed last year on a 28-12 conferencewide vote. But Hoyer was dismissive of that Senate GOP cohesion lasting in perpetuity: “Yeah, right,” he said.

Rep. Dan Kildee, D-Mich., who serves as chief deputy whip, said a majority of Democrats favor earmarks, “but I think there’s a lot of concern that it be done in a way that is significantly different than the way it was done in the past.”

Hoyer said earmarks, if they return, would likely require full transparency. For example, members would have to list their names next to their project requests earmark. They’d also have to certify that neither they nor their family members have any personal financial interest in a project backed by federal funds. And earmarks could only go toward public objectives, not private entities.

“We expect and have talked to our Republican colleagues about additional ways to make sure that these are fully transparent and legitimate investments on behalf of the jurisdictions and the American people,” he said. “In that context, I believe we ought to bring them back.”

Select committee deliberations

Support is already growing within the House, including from the chamber's Select Committee on the Modernization of Congress, lawmakers said. Some panel members say there is a chance the panel will vote to recommend the return of earmarks, which could be an important step symbolically to spark broader backing from both parties in the House.

"The decision hasn't been made yet whether to even vote on it," said Rep. Dan Newhouse, R-Wash., a member of the modernization committee as well as the Appropriations panel. "But I think, gauging the interest, I think there's a pretty good possibility that we could get to that point."

Newhouse said there is "a lot of support to discuss the potential. A lot of people are seeing it as a constitutional issue. The powers of spending should rest with the Congress, not the executive branch."

Rep. Rob Woodall, R-Ga., another select committee member, said there is support on the committee for Congress reclaiming its spending powers. "Do we have bipartisan support for filling that Article I [of the Constitution] role? Of course we do," Woodall said. "Have we found a pathway that makes everyone comfortable? I don't think we have."

Woodall stressed his support for restoring lawmakers' ability to designate Army Corps of Engineers and transportation projects.

Rep. Mark Walker, R-N.C., a prominent conservative, said he continues to oppose earmarks, saying they are a "slippery slope" to the return of the type of scandals that eroded support for the practice over the past decade. "I understand the argument some have made from the constitutional standpoint, but Congress has no history of being able to balance that without allowing the corruption part of it to set in."

However, Walker said there are a growing number of Republicans in the House who favor earmarks.

Senate Appropriations ranking Democrat Patrick J. Leahy of Vermont said Congress ought to bring back line items for member projects — even if it means Republicans are left out. "If they don't want earmarks they don't have to have them," Leahy said. "If the Republicans want to make sure their members don't have earmarks, there's that much more left for the Democrats."

Lowey to discuss earmarks with freshman, at-risk Democrats

Tuesday meeting marks first step in determining whether there's enough consensus to attempt to bring back the line items

Posted Jan 27, 2020 / Jennifer Shutt / Roll Call

House Democratic leaders are moving ahead with their sales pitch for the return of earmarks — which an aide dubbed "community project funding."

House Appropriations Chairwoman Nita M. Lowey, D-N.Y., is set to meet Tuesday with a group of freshman House Democrats and others considered vulnerable in the 2020 elections to talk about a possible return of local projects in the spending bills for the fiscal year beginning Oct. 1.

The meeting is a first step of sorts in determining whether House Democrats opt to bring back the somewhat-taboo line items, which were banned by then-majority Republicans in 2011 and haven't yet returned under

Democratic control. The more formal name for the special projects in recent years has been “congressionally directed spending,” but “community project funding” implies a more personal connection to lawmakers’ districts.

“There is considerable interest in allowing members of Congress to direct funding for important projects in their communities,” a Democratic aide said in a statement Friday.

Should a large number of House Democrats, particularly those in swing districts, object to the idea it’s unlikely that the Appropriations Committee would proceed with soliciting project requests for the fiscal 2021 spending bills. And even if Democrats are broadly supportive, having limited earmarks in the House could create headaches for conferencing the bills with the GOP-controlled Senate, where the practice is still banned.

Key voices in Tuesday’s meeting will come from “frontline” Democrats, the group of about 42 lawmakers that the Democratic Congressional Campaign Committee believes are at risk losing their seats during the November elections.

The list includes a number of freshmen who flipped districts President Donald Trump won in 2016, like Iowa Democrats [Cindy Axne](#) and [Abby Finkenauer](#), and California freshman who won in Orange County districts that Republicans had dominated for decades, including [Gil Cisneros](#), [Katie Porter](#), [Harley Rouda](#) and [Mike Levin](#). [Jason Crow](#), a freshman from Colorado who’s now serving as one of Speaker [Nancy Pelosi](#)’s seven impeachment managers, is on the list, as are veteran lawmakers from Trump districts such as [Tom O’Halloran](#), D-Ariz., and [Matt Cartwright](#), D-Pa. — himself an Appropriations Committee member and prospective Commerce-Justice-Science subcommittee chairman.

It wasn’t clear which members would be attending Tuesday’s meeting on the subject.

This is not the first time the Appropriations Committee has debated whether to bring back earmarks in some form. Republicans and Democrats have batted around the idea ever since then-Speaker [John Boehner](#), R-Ohio, led the movement to oust them in 2011. Should earmarks return, House Democrats expect they would be far more transparent and limited than the type of earmarks that existed before the ban went into effect under GOP Conference rules.

Lowey and House Majority Leader [Steny H. Hoyer](#), D-Md., each entertained the idea of bringing back earmarks in scaled-back form last year. But Senate Republicans have thus far shown no inclination to bringing back the special home-state projects, voting 28-12 within their conference last year to permanently ban them.

House members considering ending ban on earmarks

Lawmakers have cautiously expressed growing interest in allowing special projects inserted into spending bills

Posted Jan 27, 2020 9:34 AM / [Paul M. Krawzak](#) / Roll Call

House appropriators are considering lifting a nearly 10-year ban on congressionally directed spending, known as earmarks.

While no decisions have been made, a House Democratic aide said lawmakers are in the “early stages” of considering allowing earmarks in spending bills for the coming fiscal year. “There is considerable interest in allowing members of Congress to direct funding for important projects in their communities,” the source said.

Earmarks have been banned in the House since 2011, when a Republican majority ended the practice of inserting special projects in spending bills because of concerns about corruption. But in recent years, lawmakers have cautiously expressed growing interest in lifting the ban with new safeguards.

Supporters of a policy change say earmarks can help build broader political support for a spending bill and could smooth the appropriations process. Critics worry that earmarks would again allow for special favors and corruption.

“Conversations about moving forward with community project funding in the fiscal year 2021 appropriations process are in their early stages, and feedback from all members of the Democratic Caucus is important in deciding how to proceed,” the aide said in an emailed statement.

The aide said no rules or guidelines for earmarks have been finalized yet, but a system is being discussed that would allow lawmakers to request funding for a limited number of projects from a limited number of appropriations accounts. The aide added that there would be strict limits on entities that are eligible for the funds, and that the quality of the requests — for community projects, for example — would be assessed before the projects are included in bills.

House Appropriations Chairwoman Nita M. Lowey, D-N.Y., briefly considered allowing earmarks last year, until announcing in March that they would not be allowed in fiscal 2020 spending bills.

Senate Republicans last year opted to make their temporary earmark ban permanent. The vote in the Senate Republican Conference last year was 28-12 to ban them permanently.

The effort to bring back earmarks could be risky in an election year if Republicans and possibly President Donald Trump use it as a cudgel to smack Democrats, evoking images of a rural Alaska project that became a symbol of government excess dubbed the "bridge to nowhere."

The dead earmarks society

Congress gave up pork years ago. Now it could be making a comeback

Posted Feb 15, 2019 / Kate Ackley / Roll Call

From the outside, they looked like a collection of political misfits akin to the characters from “The Breakfast Club.” This peculiar little crew of lobbyists, ethics watchdogs and government spending hawks included the likes of Public Citizen’s Craig Holman and former House member-turned-lobbyist Jim Walsh.

Instead of serving Saturday detention, like the high schoolers of the 1985 hit movie, they spent their meetings nearly a decade ago seeking compromise on one of Congress’ most politically fraught but powerful tools: earmarks. “It was a strange group, an eclectic group,” concedes Holman, whose liberal Public Citizen is best known for taking on K Street, not working with the lobbyists and lawyers in the sector. “We identified what the real problem with earmarks is — and earmarks do pose a serious problem with corruption.”

But their efforts in 2010 flopped. Not because they couldn’t agree on a set of principles aimed at cleaning up the embarrassing corruption scandals of the mid-2000s that led to jail time for lawmakers, but because in 2011, when Republicans took control of the House, they banned the practice altogether. The Senate followed.

After that, K Street lobbyists, lawmakers and their aides, and others with a vested stake in the fate of earmarks and the functionality of Congress took their work underground. They met privately to discuss how to rebrand

earmarks, which are pots of federal money that lawmakers appropriate and then direct to specific projects, typically in their congressional districts or states. It wasn't fashionable to talk openly about such a tainted process. That seemed poised to change a year ago when the House Rules Committee held a public hearing on whether to resurrect them, but it ended there with no change in policy.

Now, however, with House Democrats eyeing a return to earmarking their chamber's appropriations and possibly other bills, the quiet campaigns on and off the Hill are slowly emerging — as are the counterefforts to keep earmarks out. This comes at a moment when congressional partisanship and stalemate between the Hill and the executive branch have hit a fever pitch and as Democrats seek to assert the power of the legislative branch, including its full command of the nation's wallet.

A return of earmarks could soften the edges around partisan spending disagreements and could allow lawmakers to reclaim one of the powers they voluntarily surrendered amid scandal.

Even the biggest fans of earmarks admit that new pots of money can't solve all the dysfunction and partisanship in Congress. But securing directed spending for projects in a rank-and-file member's district can help leaders and committee chiefs woo votes from undecided or reluctant members. On some bills, just a few votes can make the difference between passage and rejection.

Getting an earmark in an otherwise massive bill can give lawmakers a sense of investment in the measure — and potentially in the process of legislating overall.

"Members of Congress are very frustrated — we saw record numbers of them quit last year," said Kevin Kosar, a leader of the nonpartisan Legislative Branch Capacity Working Group and vice president of policy at the R Street Institute, a think tank with libertarian roots. "Politicians like to go to ribbon cuttings, they like a sense of accomplishment. And earmarks are a way to do that. It provides a way for them to directly claim credit for making something better in their district."

But it won't be an easy sell to skeptical Americans, or to some of earmarks' biggest opponents on Capitol Hill.

Majority Leader Steny H. Hoyer, a onetime appropriator, has made clear he'd like to see lawmakers take back their power to direct money where they see fit, instead of leaving it up to administration officials. "I am working to restore the Congress' constitutional duty to exercise the 'power of the purse' through congressionally directed spending with reforms to ensure transparency and accountability," Hoyer said in an email sent from his office. "I am discussing this issue with members on both sides of the aisle and both chambers."

Hoyer noted previous changes that Democrats imposed, including public disclosures and a requirement that lawmakers certify that they had no personal financial stake in their funding requests. "With those reforms in place, I am also open to additional reforms to strengthen transparency and accountability to this fundamental duty of the Congress," he added.

House appropriators haven't yet made a decision, but Appropriations Chairwoman Nita M. Lowey of New York favors a return of earmarking.

"Congressionally-directed spending is very important to carrying out Congress' constitutional responsibilities and constituent service duties," Lowey said in a statement emailed from her office. "The Appropriations Committee has a proud tradition of congressionally directed spending, and I hope that we can reach a bipartisan, bicameral agreement to restore this important practice."

The GOP-led Senate may take its cues from the House.

The problem that led to the ban wasn't a mystery. Too frequently lawmakers handed out earmarks to campaign contributors, and in some cases there was evidence of a quid pro quo, an earmark for donations or even personal enrichment, said Holman. Defense lobbyist Paul Magliocchetti, a onetime aide to the late defense appropriator John Murtha, a Pennsylvania Democrat, pleaded guilty to such a scheme in 2010.

Ex-Rep. Randy "Duke" Cunningham, a Republican from California, similarly went to prison after pleading guilty in 2005 to arranging earmarks and government contracts in exchange for more than \$2 million in bribes.

The recommendations from Holman, Walsh and the others called for new limits on the earmarks for political donors. Others who endorsed the ideas were Melanie Sloan, then executive director of the ethics watchdog group Citizens for Responsibility and Ethics in Washington; Tom Schatz, president of Citizens Against Government Waste; Steve Ellis, vice president of Taxpayers for Common Sense; Rich Gold, who runs the lobbying practice at Holland & Knight; and Linda Morgan, then of Covington & Burling.

Holman said he's working to persuade House Democrats to bring back earmarks but with such pay-to-play bans, and has sent along an old op-ed to Hoyer and Lowey. "It's an ideal solution," he said.

Back in September, in outlining his vision for a sweeping overhaul of campaign finance, ethics and voting laws, Hoyer notably included his pitch for restoring earmarks with limitations and public transparency. "Republicans eliminated earmarks altogether, and the result has been an abdication of Congress' power of the purse," Hoyer said at the time. He dismissed as ineffective the current balance of power in which lawmakers now go "hat in hand" to bureaucrats in the executive branch looking for funding for projects in their congressional districts.

A bad rap

Not all of the original breakfast club members stand by the recommendations made before the earmark moratorium, which Schatz of Citizens Against Government Waste said has not eliminated such spending altogether. Schatz does not support their return, even if lawmakers adopted the recommendations that he helped draft in 2010.

"It's legalized bribery, corruption," said Schatz, whose group publishes an annual "Pig Book" exposing earmarked spending.

Lawmakers, too, dole out earmarks unequally, with the majority going to appropriators, House and Senate leaders and others with favored status, he said.

Rep. Mark Meadows, the North Carolina Republican who leads the conservative Freedom Caucus, said discussions are going on, including between members in his faction and Democrats, because if earmarking is "going to return, it would have to return in a bipartisan manner."

"I think the Democrats want it to, but I don't see that happening," he said, though he views earmarking and member-directed spending as distinct.

"Member-directed spending and earmarks, depending on how you define it and what it really means and how you can avoid potential abuse, is a more lengthy discussion, but generally the proposals I've seen to date would be subject to abuse and [would] increase spending."

Experts on Congress and the federal budget, however, say that in general the presence of earmarks in a bill does not actually increase government spending, but instead sends money to specific entities. Meadows knows where the conservative grassroots activists are on this.

The conservative FreedomWorks is mobilizing against earmarks, said the group's Jason Pye. "We've already been pushing back on earmarks through our grassroots activity — and when or if, I think it's more of a question of when, not if — they start debating earmarks, or bring them back, we're going to activate and hopefully send a fury to Capitol Hill," Pye said.

Still, even Pye and other foes of earmarks concede that earmarks would amount to a small portion of federal spending. The money that would be earmarked is likely already getting spent.

Greasing the skids

Russell W. Mills and Nicole Kalaf-Hughes, political science professors at Bowling Green State University, have explored the growth of what they call "letter-marking" in the absence of earmarks: Lawmakers, as Hoyer suggests, write letters to federal agency officials urging them to send money toward a particular constituent or project.

The professors, using Freedom of Information Act requests, found that in 2007 and 2008 combined, lawmakers wrote nine letters to the Transportation Department to nudge federal grants to specific places. In 2011, that number had gone up to 128 letters from lawmakers, Mills and Kalaf-Hughes discovered. Since then, letter-marking has dipped but remains higher than it was when earmarks were routine. Lawmakers and their aides also have become more adept at writing legislation aimed at "micromanaging agency decision-making tools such as cost-benefit tools in an effort to direct grants to their districts," said Mills. "This is much less transparent," he added, when compared with publicly disclosed earmarks.

Letter-marking and other strategies that lawmakers have used over the decade without earmarks are often less effective replacements for steering tax dollars. It's less a debate about how much money the federal government spends, but who decides where it goes.

"In lots of cases, like particularly federal grant programs, the money is still getting spent, it's just that somebody else is deciding how it gets spent, not Congress," said Molly Reynolds, a governance studies fellow at the Brookings Institution.

That exacerbates the mounting frustrations of individual members, especially those in the rank and file. "Most of what happens in Congress, you don't have a lot of influence over," Reynolds said. "When earmarks were around, that was something you could point to that you got done. That potentially made some members feel like they had more agency in the legislative process."

Though it may not work as a balm for all that ails Congress, earmarks have a long history of being used to help win support for much bigger bills that specific lawmakers would otherwise be inclined to oppose.

"As a member of Congress, you're not just voting on a \$175 billion spending bill. You can say, 'I didn't like everything about the bill, but here's what we got.' Members can't do that anymore," said Walsh, a lobbyist at K&L Gates who served 10 terms as a GOP representative from New York.

What's less clear is whether a return to earmarking would give rank-and-file members of Congress a new sense of empowerment, or whether it would simply give leadership, which has already consolidated much authority, yet another tool to lord over unruly members.

No matter the consequences for intraparty dynamics, the loss of earmarks has exacerbated partisan tensions, said Howard Marlowe, a longtime lobbyist. "The absence of them clearly has had an impact on the ability of members of Congress to find opportunities to work together," said Marlowe of the Warwick Group Consultants. "There's no doubt that being able to do the kind of horse-trading that was done was very useful."

Even Schatz concedes the point. “Maybe they didn’t spend more money in one sense, but this did entice members to vote for spending bills they might not otherwise have supported but for a few million dollars in earmarks,” he said.

Many lawmakers with conservative voting records “did not hesitate to earmark and they would end up voting for some of these expensive spending bills because they were getting some money,” he added.

Those lawmakers may have felt that their districts badly needed the cash.

Power failure

The demise of earmarks has meant fewer dollars for poorer, more rural districts that could use the investment, say some lawmakers and lobbyists.

“We here in Congress as representatives, we represent the people who elect us, we are accountable to them but we also deal with them on a daily basis. We also live with them. So we know better than any president or any bureaucrat the needs of our districts,” Louisiana Democratic Rep. Cedric L. Richmond told the House Rules Committee last year. “We represent those small towns, we are their lobbyists we’re the ones that have to come up and say this police department needs X, Y and Z, and if we can get it for them, let’s get it for them.”

Richmond’s philosophy on earmarking sounds a lot like the late Sen. Robert C. Byrd, the West Virginia Democrat who championed the practice. Citizens Against Government Waste dubbed Byrd the “King of Pork,” tabulating that he directed more than \$4 billion to his state, where many bridges, buildings and highways bear the name of the former Senate Appropriations chairman.

When he died in 2010, months before lawmakers ended the era of earmarking, Schatz recalled that Byrd had once called Citizens Against Government Waste a bunch of know-nothing “peckerwoods.” Byrd’s love of earmarks, though, did not transfer to his affection for lobbyists who sought them. Byrd told The Washington Post in 1989 that he became enraged to learn that a crew of lobbyists was aiding a Mountain State university in securing earmarks — and told his constituents as much.

“I asked them: Why do you think you have to employ a lobbyist?” the Post quoted Byrd as saying at the time. “I’m on the Appropriations Committee — if I can’t do it, nobody can.” Byrd’s anger later turned into an amendment stipulating that clients couldn’t pay their lobbyists with appropriated funds.

Byrd, though an extreme example, represents a time when individual lawmakers held significant power, an era that has now faded.

The decision to eliminate earmarks “is consistent with Congress making a set of choices of weakening its role as the first branch” of government, Reynolds added. In the absence of earmarks, lawmakers and congressional staff have sought to nudge federal dollars to specific projects — often without success.

Marlowe, a lobbyist who has long worked the Energy-Water appropriations bills, said it’s not just lobbyists and their clients who are frustrated at the loss of earmarks. Lawmakers and their staff, he said, “are trying to do the best that they can to show preferences for how the money ought to be used.”

He has a client — the city of Solana Beach, California — that has sought funding for a project from the Army Corps of Engineers. The client has paid Marlowe’s firm \$1 million since 2001, according to federal lobbying disclosures, and Marlowe said he’s helped the city win nearly \$10 million in past earmarks. Appropriators in the last Congress worded a bill in such a way that they believed only Solana Beach and another California coastal

community would be able to get the funding for a planned shoreline protection project two decades in the works.

Instead, it went to Norfolk, Virginia, Marlowe said, a decision of the Office of Management and Budget, which oversees the Corps' budget.

“Congress can't set priorities anymore. They gave away the earmarks, and they let the president continue to earmark,” he said. “It is hard to convince people that they have the power.”

The city needs a minimum of \$1, yes one, from the federal government to be able to tap into state funds, the local government said.

“We are just trying to push it past this last step,” said Solana Beach Mayor Dave Zito. “When dealing with the federal government, the more options you have, the better.”

High-stakes debate

A return to regular earmarking of appropriations bills would extend well beyond the Capitol, and that, too, is part of the image problem.

Helping clients win earmarks became the backbone of business for some of K Street's biggest firms, such as Cassidy & Associates and Van Scoyoc Associates.

Cassidy was the top grossing firm in 2000. By December 2010, on the cusp of the GOP moratorium and as earmarks had become increasingly controversial — and transparent — Cassidy laid off staff and restructured its business model. The firm bought itself back in 2017 from its former owner, Interpublic Group, an advertising and public relations conglomerate.

Cassidy wasn't the only firm to take a hit. Total lobbying revenue, which for years had been on the ascent, declined in 2011, the year Congress scrapped earmarks, according to an analysis from the Center for Responsive Politics. There were other factors involved in the decline, including incentives for lobbyists to deregister as well as economic ripples from the financial crisis. But the loss of earmarks upended significant chunks of the lobbying business. Their return would likely be a boon.

“I'm talking to my clients about the possibility of earmarks and that they need to think about that,” said Walsh, a former appropriator. “We need to get some clarity from Congress about what they're going to do.”

February and March were typically the deadlines for individual members to submit their funding requests. Marlowe said his clients have continued to submit requests through lawmakers via electronic forms submitted through special portals. The Senate versions of the forms even include a disclaimer noting the ongoing ban on congressionally directed spending items.

Even with all the obvious baggage, many lobbyists say they expect that lawmakers could begin earmarking as soon as this year. But even so, they caution that the process — and potential profits for K Street — won't look like they once did.

“We're not getting in the DeLorean and traveling back to 2009,” said Gold, a member of the original breakfast club group. “You can't have firms downtown that are quote-unquote earmark factories. You can't have members determine who gets an earmark by who holds a fundraiser for them.”

Gold predicts that should earmarks resume, they would be narrow, such as mostly infrastructure projects. And the public transparency would increase.

“I’m actually delighted to see the whole issue is coming back on the agenda again,” said Holman of Public Citizen. “I am encouraging them to do so but to do so wisely — just don’t go back to the old corrupt system of earmarks.”

If resumed with increased disclosure and limits on earmarks for donors, Holman said the PR problem should solve itself, once lawmakers and constituents see funding for projects flow to their districts. “If we can get out front on this issue and not have congressional Democrats just introduce a revival of earmarks flat out and have them introduce our proposals, I think we could win the battle over the hearts and minds of the public,” he said.

They won’t be the only ones trying.



Rep. [Bill Flores](#) poses with Faye, a potbelly pig, after a news conference held by Citizens Against Government Waste in 2017. (Tom Williams/CQ Roll Call file photo)

Karl A. Ohls

Senior Policy Advisor
North Star Group
202-431-2938 mobile
202-544-6355 DC office

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