



Agenda

City Council Committee of the Whole

Monday, March 23, 2026 at 5:00 PM

City Hall Cowles Council Chambers In-Person & Via Zoom Webinar

Homer City Hall

491 E. Pioneer Avenue
Homer, Alaska 99603
www.cityofhomer-ak.gov

Zoom Webinar ID: 953 097 829 Password: 234969

<https://cityofhomer.zoom.us>
Dial: 346-248-7799 or 669-900-6833;
(Toll Free) 888-788-0099 or 877-853-5247

CALL TO ORDER, 5:00 P.M.

AGENDA APPROVAL (Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual, pg. 6)

CONSENT AGENDA

REGULAR MEETING AGENDA

DISCUSSION TOPIC/PRESENTATION(S)

- a. [J&H Consulting Legislative Update](#) – 10 minutes

WORKSESSION AGENDA

- a. Strategic Planning – Council Priorities Quarterly Check-in

COMMENTS OF THE AUDIENCE

ADJOURNMENT (No later than 5:50 p.m.)

Next Regular Meeting is Monday, April 13, 2026, at 6 p.m., Worksession at 4:00 pm., Committee of the whole at 5:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.



J&H Consulting

**Legislative Update
March 2026**

Session Visit and Focus:

Recent visit met with over 13 legislators, individual time with local representatives, Departments of Transportation and Environmental Conservation, toured Alaska Marine Exchange.

- ❖ Gas line proposal
- ❖ Proposed fiscal/tax package
- ❖ Retirement and benefit changes - HB 78
- ❖ Election - SB 64
- ❖ Balanced budget- changing oil prices
- ❖ Rural Health Transformation Program \$272 mil. in year one
- ❖ Election posturing

Budgets:

New Revenue Projections: Revenue increases for FY 2026 is \$545 mil. and by \$510 mil. for FY 2027, due in large part to higher oil prices driven by war in the Middle East. That is based on a projected average oil price of \$75 per barrel in the 2027 fiscal year, up from a previous projection of \$62 per barrel.

If it holds up, the revenue in the updated forecast would entirely cover the supplemental budget items needed for the current fiscal year.

Oil Prices and Production

Oil and Gas Prices for 3/12/2026 (\$/barrel)

ANS West Coast	\$105.78	\$9.86 ↑
West Texas Intermediate	\$95.73	\$8.48 ↑
Brent	\$100.46	\$8.48 ↑
Henry Hub (mmbTU)	\$3.23	\$0.02 ↑
	(BBLs)	
ANS Production	455,052	3/12/2026

Supplemental Budget:

- Stripped down to \$373 m from \$500 m. Funds \$70 m for transportation projects federal match; \$98.7 m for wildfires; \$75 m for disaster relief; and \$130 m for Higher Education Investment Fund
- House Majority pulled bill because didn't have $\frac{3}{4}$ votes to access CBR, has caused friction. With new revenue projections CBR draw not needed.

Budgets:

- Mostly a status quo budget. Few increases in Public safety, Corrections. Might see one-time BSA increase.
- PCE is fully funded at \$44.3 million and so is school bond debt reimbursement for districts and municipalities.
- \$1.4 billion in full statutory funding for the new Base Student Allocation (BSA), or \$6,600 per student, for K-12. There was a small increase in correspondence students offsetting the decrease.
- Community Assistance is only partly funded but increased to \$20 million(H) rather than full recapitalization at \$30 million. This will result in a reduction in the amount distributed to local governments.
- House Finance will take amendments soon then to floor for amendments and vote - Senate working on department subcommittees.
- Transfer budgets April 10.
- Conference Committee at end.

The capital budget is mostly status quo, totaling \$156 million and mostly covering match for federal programs in the Departments of Transportation and Public Facilities and the Department of Environmental Conservation. There is chatter of a possible G.O. bond package. Funding is not included for the following:

- ▶ Maintenance or construction for school or university facilities;
- ▶ Harbor Grant Matching Funds Program;
- ▶ Individual district projects;
- ▶ NPRA Impact Grants; and
- ▶ Renewable Energy Grant Funds.

Additional revenue will first fund school construction and major maintenance.

Might be small discretionary spending.

Bills

- ▶ **HB 78 Pension:** This bill proposes to open the Public Employees' Retirement System (PERS) and Teachers' Retirement System (TRS) benefit plans by adding a new defined benefit tier. New employees will be enrolled into the defined benefit plan and existing members participating in the Defined Contribution Retirement (DCR) plan will be allowed a one-time opportunity to convert to the new defined benefit tier. Bill passed the House and is now in Sen. Finance. Should it clear (S) Fin, it should go to the Sen. Floor soon. Governor unknown.
- ▶ **SB 277 Education:** Omnibus education bill. Adjusts the Base Student Allocation by \$124.56 per student, increases student transportation by over 6.5 percent, funds Alaska Reads Act with at least \$450 in reading proficiency grants for K-6 students. The bill increases support for homeschool students in Alaska by funding them at the same base level as students attending brick-and-mortar schools.

Tax Bill

- ▶ [SB 227](#) / [HB 284](#). The bill was largely panned in initial meetings, especially the sales tax. Senate Resources Committee introduced a new CS. The committee moved the bill to Senate Finance for further review. The big changes are the following:
- ▶ Removes all sales tax language
- ▶ Inserts S-Corp corporate income tax language to close the “Hilcorp Loophole.”
- ▶ Adds back the highly digitized corporate business tax provisions ([SB 113](#)) that Governor vetoed and no override - also HB 280
- ▶ Adds an education head tax - also HB 152
- ▶ Maintains 6 percent minimum production tax; Adds [SB 112](#) language that reduces the sliding per-barrel credit from \$8 to \$5; Retains \$0.15 per barrel surcharge on TAPS oil; Moved oil tax structure from tax on net profits to **tax on gross value of oil**

Hearing new CS soon. The CS will strip out the oil production tax language.

Senate Bill 275 Alaska Gasline Transparency and Accountability Act

Governance and Transparency

- ▶ **Audit oversight over Alaska Gasline Development Corporation (AGDC)**, comparable to AIDEA and other corporations
- ▶ AGDC may **sign nondisclosure agreements** with legislators and others; allows for executive sessions to discuss confidential matters
- ▶ Allows parties to existing agreements to **waive confidentiality**
- ▶ Requires legislative authorization before AGDC and partners may form any legal relationship with a **foreign entity**
- ▶ Requires legislative notification of any significant **change in ownership** structure
- ▶ Requires legislative authorization before AGDC can further **divest** ownership

Fiscal and Revenue

- ▶ **Eliminates ability for oil companies to deduct gas lease expenditures from oil production tax**
- ▶ Requires state approval for producers to **pay in-kind “tax as gas”**
- ▶ Clarifies “prevailing value” statutes for tax and royalty purposes when a transaction **may be at below market rate in purchasing gas from the North Slope**
- ▶ Applies the 9.4% corporate income tax to **non-corporation entities (S-Corporations)** shipping gas and providing other LNG-related activities
- ▶ Establishes a **15cent/mcf surcharge** on large LNG processing plants exporting Alaska's gas. At full capacity (2.7 bcf / day), this would raise about \$150 million / year
- ▶ Ensures AGDC negotiates the option for the state to acquire interest in the project and sub projects, with **legislative approval**. Provides a process of notification and adequate time to act
- ▶ **Separately accounts for revenue** deriving from s 9 / AGDC ownership share and makes it available for appropriation ⁸

Political Landscape



THE POOL OF CANDIDATES FOR ALASKA GOVERNOR IN THE 2026 ELECTION INCLUDES, TOM BEGICH, JOHNATHAN KREISS-TOMPKINS, MATT CLAMAN, CLICK BISHOP, DAVE BRONSON, ADAM CRUM; NANCY DAHLSTROM, EDNA DEVRIES, MATT HEILALA, SHELLEY HUGHES; HANK KROLL, JAMES PARKIN, TREG TAYLOR, JESSICA FAIRCLOUTH, JAMES PARKIN, AND BERNADETTE WILSON.



GOVERNOR'S RACE HAS 16 IN THE RUNNING. NEXT YEAR IS AN ELECTION YEAR WHICH WILL IMPACT THE LEGISLATIVE SESSION.



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

Calendar

- ▶ Tues March 31 - JOINT SESSION: "U.S. Sen. Lisa Murkowski Address" 11 a.m.
- ▶ April 7-9 - AML: "Alaska Infrastructure Development Symposium" info [HERE](#)
- ▶ Fri April 10 - Alaska Children's Trust: "Go Blue Day" info [HERE](#)
- ▶ Mon April 19 - 90th Legislative Day
- ▶ Wed May 20 - 121st **Legislative Day - Last Day of Session**
- ▶ Mon June 1 - 2026 Candidate Filing Deadline
- ▶ Tues Aug 18 - 2026 Primary Election
- ▶ Sept 17-18 - The Trust: "Improving Lives Conference" details [HERE](#)
- ▶ Tues Nov 3 - 2026 General Election



**Quyanaqpak and Taikuu
Working together to advance
your priorities**