

NEWSLETTER

Alaska Senator

Bert Stedman

Honored to Serve Southeast Alaska

JUNE 2023

LEGISLATIVE UPDATES FOR DISTRICT A

The Budget

I am very pleased to report that the legislature passed a balanced budget that does not require dipping into savings and does not require new taxes! My stance against overdrawn from the Alaska Permanent Fund or drawing from our fragile savings accounts resulted in a budget with a surplus of approximately \$84 million, a healthy, sustainable Permanent Fund Dividend, and provided for the services that Alaskans have come to expect. This budget reflects needs identified throughout the session.



SURPLUS/SAVINGS

The FY24 anticipated surplus is \$84 million, at \$73/barrel. This surplus should provide a cushion for unforeseen revenue fluctuations and/or additional costs, such as unforeseen Medicaid costs.

If incoming revenue exceeds projections of \$73/barrel, the first \$636 million would be split evenly between adding up to \$500 to next year's dividend for every eligible Alaskan and the State's main savings account, the Constitutional Budget Reserve (CBR) Fund. If oil revenue does come in higher than projected, we would have the opportunity add to our savings, which would act as a buffer against future oil price declines.

Continued on next page.

In this issue

*The Budget
Killer Whales and King Salmon
Meet Team Stedman
Affordable Connectivity Program*



Hello, Yakutat!

As you may know, the Alaska Redistricting Board draws new legislative districts every 10 years following the census. As a result, District R returned to its historic designation of District A. Mostly, this is just a district name change, (previously I was the Senator from District R), with one exciting addition. I am now proud to represent the community of Yakutat.

Located in the northern reaches of Southeast, Yakutat will stretch the boundaries of District A to the north and the west. This stunning community is a current Tlingit village, (historically Tlingit-Eyak), and is a welcome addition to other traditionally Tlingit communities in the district including Angoon, Hoonah, and Kake.

The Budget *Continued from front page.*

SIGNIFICANT BUDGET ITEMS

Education and Childcare.

- K-12 funding increased by \$175 million (9% over FY23). This session we've heard from school districts across the state. While Alaska's 54 school districts (including the 15 in my Senate District) face unique local challenges, a similar thread wove through all the testimony: flat funding of education over the last decade has left our schools financially strained. The federal COVID relief funds schools received have been spent, and the school districts' finances are facing inflationary pressures. This \$175 million addition is the single largest K-12 funding increase in history and will help to offset the impacts of significant inflationary pressures. Although this funding is "one-time" and was not permanently added to the statutory formula, the discussion is not over. Additional funding needs will be assessed during the upcoming 2024 session after more review of all 54 school districts.
- Head Start funding increased by \$5 million.
- Childcare Grants increased by \$7.5 million to increase wages for childcare workers and to expand childcare services to help people get back to work.

PERMANENT FUND DIVIDEND

As has been the case in recent years, the size of the Permanent Fund Dividend (PFD) is a major factor in determining what the state can afford to fund. We have heard from residents around the state about an array of needs, from enhancements to public safety, snow removal and ice roads, to addressing issues related to the shortage of

childcare, and the funding shortfall in our school districts. There is never a shortage of items or programs that would benefit from a cash infusion. However, until we can agree to a dividend calculation that allows for a sustainable fiscal position and continued investment in our state assets and residents' welfare, we find ourselves stuck in a familiar tug-of-war. For example, the difference in deficits in the Governor's, House's and the Senate's budgets are primarily due to the size of the Dividend.

- Governor's Budget: A \$1.3 billion DEFICIT to pay \$2.47 billion for a projected \$3,448 per person Statutory PFD—over 70% of the POMV draw.
- House's Budget: An \$800 million DEFICIT to pay \$1.76 billion for a projected \$2,689 per person PFD—50% of the POMV draw.
- Senate's Budget: An \$87 million SURPLUS and pays \$881.5 million for a projected \$1,300 per person PFD—25% of the POMV draw. The 25% amount mirrors the PFD formula passed by the Senate this session in SB 107 (and matches the version of SB 26 passed by the Senate in 2017). This legislation establishes a split for the annual Percent of Market Value (POMV) draw from the Permanent Fund, with 75% remaining in the General Fund and 25% appropriated to pay Permanent Fund Dividends.

I know big dividends are good for election campaigns, but we are at a critical decision point: do we want to teach our kids how to cash checks, or do we want to teach them to read, write and do arithmetic? I believe that, although a healthy dividend is important, there are other needs in the State that need to be addressed such as funding for ferries, power, infrastructure maintenance and roads.

Affordable Connectivity Program

The Infrastructure Investment and Jobs Act of 2021 included a \$65 billion appropriation for programs to improve access to broadband internet. One of these efforts is the Affordable Connectivity Program, which is a Federal Communications Commission [program](#) that helps connect families and households struggling to afford internet service. This new benefit provides a discount of up to \$30 per month toward broadband service for eligible households and up to \$75 per month for households on qualifying Tribal lands. Eligible households can also receive a one-time discount of up to \$100 to purchase a laptop, desktop computer, or tablet from participating providers.

Eligible households can enroll through a [participating broadband provider](#) or directly with the Universal Service Administrative Company (USAC) using an [online](#) or mail in application.

You can learn more about the benefit, including eligibility and enrollment information, by visiting www.fcc.gov/ACP, or by calling 877-384-2575.



Killer Whales and King Salmon



This spring the U.S. District Court in Seattle dealt a serious blow to the Southeast Alaska troll fleet. The court ruled in favor of a Washington-based environmental group, The Wild Fish Conservancy, resulting in the potential closure of the summer and winter king salmon troll seasons. On May 2, 2023, a court order invalidated an "incidental take" finding in a 2019 Southeast Alaska [Biological Opinion](#) by the National Marine Fisheries Service (NMFS). The NMFS biological opinion was relied upon during the allocation of fishery resources under the 2019 Pacific Salmon Treaty, and the agency must now revise this 443 page document to account for the potential impact Alaskan fishermen may have on a food source for a dwindling pod of killer whales nearly a thousand miles away.

Meanwhile, scientists at the National Oceanographic and Atmospheric Association (NOAA) have found that the endangered Southern Resident killer whales' ability to feed is likely affected more greatly by [vessel traffic](#) than availability of prey. Likewise, a National Fisherman article quotes an Alaska Department of Fish and Game analysis that found only [0.10% to 1.13%](#) of Southeast Alaskan troll-caught Chinook were of Puget Sound origin. Alaska Longline Fishermen's Association and Alaska Trollers Association have put together a great

[informational paper](#) on this issue. If I were a betting man, I'd wager shutting down the Chinook troll fishery will hardly prove to be the silver bullet that will turn around the decades-long decline of the Southern Resident killer whales.

The claims in this case are complicated, but the impact of closing the troll fishery is simple: it will decimate the livelihood of nearly 1,500 Alaskan fishermen. In response to this threat, the legislature passed [House Joint Resolution 5](#), urging federal and state agencies to defend the state's fisheries, including the Southeast Alaska troll fishery. Rep. Himschoot authored the resolution, and I was proud to carry it in the Senate. The State of Alaska has filed a request to stay the decision while an appeal is prepared and filed, which would allow the fishery to operate this summer. We have not yet learned if this request will be granted, but I remain hopeful the court will side with the many small businesses that rely on Alaskan salmon for their livings.

I will continue to advocate for the livelihood of Southeast Alaska's critical troll fishery as this case progresses. I'll stand up for Alaska's right as a state to manage our own resources by ensuring the Department of Law has the resources and personnel necessary to litigate these issues on behalf of Alaskans.

FY24 Capital Projects in Senate District A

Ketchikan Seaplane Ramp Relocation & Floats Removal	\$ 2,343,750
Ketchikan Airport Terminal Area Expansion	\$ 8,514,933
North Tongass Resurface - Airport Ferry to Ward Creek	\$ 4,500,000
Meyer's Chuck - Dock Repairs	\$ 1,092,138
Wrangell Airport Gate Replacement & Security Upgrades	\$ 1,649,926
St. Michaels Bell Tower & Roof Repair	\$ 69,027
Stratton Library Repairs	\$ 1,211,985
Mt. Edgecumbe Deferred Maintenance	\$ 1,083,000
Crystal Lake Hatchery - Raceway Repairs	\$ 2,600,000
Hydaburg Seaplane Facility Replacement	\$ 4,625,000
Sitka Airport Terminal Building Modifications	\$14,000,000
Yakutat Airport Wildlife Detection System	\$ 2,214,023
Hoonah Harbor Way Improvements & Cemetary Walkway	\$ 6,001,086
P.O.W. Neck Lake Road & Whale Pass Highway	\$18,876,275
Sitka Fisherman's Float	\$ 2,644,677
Yakutat Community Health Center Heat Recovery Project	\$ 1,000,000
Hoonah - Water Supply Creek Hydro Construction	\$ 3,538,526

Our Newest Addition



This session we welcome Rose Foley to the team. Rose was born in Gustavus, AK and grew up packing live Dungeness crab six days a week in the summers with her dad. She attended most school years in Juneau and spent a couple of high

school summers working on a salmon tender outside of Elfin Cove. Rose went Outside for college but came home for graduate studies at the University of Alaska, Southeast. I first met Rose in 2005, when she joined the Senate Finance Committee staff. Since then, she has held a variety of roles in the legislative and executive branches. With her diverse work history in public finance, legislation, and constituent services, Rose will be working on a bit of everything in my office. You can reach her at rose.foley@akleg.gov.

Meet Team Stedman



From left to right, David Scott, Rose Foley, Sen. Stedman, Amanda Ryder, Pete Ecklund, and Margeaux Ljungberg.

All effective legislators need a team of talented, experienced, and diverse staff to support their efforts each session. I am fortunate to not only have a group of staffers that have those qualifications but many of them have worked in my office for years.

David Scott is from Metlakatla. He has worked 16 years in the Legislature in various roles and for various legislators. He has worked in my office for the last 9 years. David carries most of my personal legislation and is my current chief of staff. He is a veteran and before coming to the Legislature was a rescue swimmer for the United States Navy on the USS Stethem. He currently lives in Ketchikan with his wife and two daughters.

Pete Ecklund is from Ketchikan. He began working for the Legislature in 1994. During that time, Pete has coordinated and worked closely on the operating budget for co-chairs in both the House and Senate Finance Committees. He has overseen 12 operating budgets, seven capital budgets and has done committee legislation once. In 30 years, Pete has never worked in a minority office, and spent 25 of those years working for a member of one of the Finance Committees. Pete has been an integral part of my team for 5 years as one of my Operating Budget Coordinators and a Senate Finance Committee Aide.

Rose Foley is from Gustavus and is the newest team member, as such she is featured on page 3 of this newsletter. Rose is a jack of all trades and is involved in working on the operating budget, my personal legislation, community relations, and office communications. She first worked in the Senate Finance Committee in 2005. She also serves as the official baker in the office.

Margeaux Ljungberg joined my team in March 2022. Originally from the Midwest, Margeaux began working in Alaska as a seasonal performer in 2004. She moved to Skagway in 2007 and then relocated to Juneau in 2016 with her husband and daughter. Prior to coming to the Legislature Margeaux had a career in tourism and then worked as the Judicial Assistant to Presiding Judge Amy Mead with the Alaska Court System. Margeaux coordinates the schedule in the office and is most likely the voice you hear on the phone when you call the Juneau office. In her spare time, Margeaux can be found performing at various Juneau venues and events.

Amanda Ryder worked as the Operating Budget Coordinator for the Legislative Finance Division for more than twenty years. She joined my team in 2021 and works on the operating budget for the finance committee. Amanda and her husband have lived in Juneau since 1990. Prior to that, she lived in Wrangell and near Hoonah for several years. She loves reading and playing a variety of sports such as volleyball, pickleball, and golf.

For more updates visit www.bertstedman.com

Serving Ketchikan, Sitka, Petersburg, Wrangell, Metlakatla, Craig, Hoonah, Klawock, Yakutat, Kake, Thorne Bay, Hydaburg, Angoon, Saxman, Coffman Cove, Hollis, Naukati Bay, Tenakee Springs, Pelican, Whale Pass, Port Alexander, Kasaan, Hyder, Edna Bay, Port Protection, Elfin Cove, Kupreanof and Point Baker.