April 1, 2020

On Saturday the legislature passed the operating and capital budget, a separate bill to extend the disaster declaration, and then went into an extended recess. The budget was transmitted to the governor Sunday. He will have 15 days excluding Sundays to make his decision on whether to veto items or not. Our work was finished up in 69 days and if possible, we will come back either before the 120-day deadline (May 20th) or later in the fall to address outstanding issues. Clearly there is a lot of uncertainty at this point.

I know for many Alaskans who are at home trying to stay safe, this is not a major concern. But the current public health crisis is already affecting Alaska’s economy and the state budget plays a role in shaping its future.

With oil prices in the $20-30 dollar range and the Permanent Fund losses at nearly $10 billion, the short and long-term economic prospects are far more deserving of attention than many realize. Add to it, the state’s primary savings account is projected to fall below half of a billion dollars, and I think you begin to get the picture. As we wrapped up over the weekend, the legislature had to make some tough choices in the budget,

Speaker Edgmon confers with Reps. Kopp (R – Anchorage), Stutes (R – Kodiak), and Thompson (R – Fairbanks)
including limiting the PFD to a single $1000 payment in the fall, dipping into what little savings exists to pay for it. I’m proud, however, that we didn’t lose sight of the longer view and included modest increases in K-12, public safety, the ferry system and the University.

With the federal stimulus package coming our way, there will be relief provided for Alaskans who desperately need it. If the legislature is able to return to session this year, I predict that the first order of business will be to take a second look at helping Alaskans who could be suffering even more than they are today.

If we think the choices this year are difficult, next session could be a lot worse. This is particularly true if oil prices continue to stay where they are today, the lowest they’ve been in 18 years. When the legislature convened this January, a budget surplus existed. But today it’s a faint memory, and in its place is a nearly $600 million hole. Next year could easily feature all at the same time: major budget cuts, attempts to impose revenue measures, and a limited PFD, if there is one.

Acknowledging COVID-19 is rightly front and center for everyone, we also shouldn’t lose sight of the need to engage in an honest conversation about Alaska’s fiscal future. Clearly, the state faces a public health crisis the likes of which we’ve never encountered. But we’re also on the cusp of financial calamity that could be here for a while.

If I use Facebook to gauge what’s going on out there it seems there are many who are either oblivious to it all or just don’t care. They don’t care if it means closing rural schools or doing away with things like Power Cost Equalization.

They’re clamoring for the governor to veto the entire budget and force the legislature back to the drawing board. To me this is where the rubber meets the road for Governor Dunleavy who, along with the rest of us, is
going to have to make difficult decisions based on the undeniable reality that we don't have savings accounts to bail us out anymore.

You can play a role and I urge you to contact his office to express your feelings on the FY 21 budget at 465-3500 or 269-8100.

The legislature extended the governor’s disaster declaration in SB241. The governor declared a public health disaster emergency on March 11, 2020. It the legislature’s responsibility to extend that declaration by statute and we did so. Also contained in that bill are several economic mitigation measures to help Alaskans weather this storm.

- Halts evictions, utility shut-offs, car repossessions, and foreclosures for Alaskans experiencing financial hardship as a result of COVID-19.
- Provides $10 million from the Disaster Relief Fund to assist with any expenses that arise during response efforts.
- Allows for vote-by-mail in elections in 2020.
- Enables the Department of Community, Commerce and Economic Development to provide grants to small businesses.
- Outlaws price gouging.
- Extends the PFD application period to April 30, 2020.

The legislature also passed an operating and capital budget. I commend the work of the Finance Co-chairs in both bodies for maintaining downward pressure on agency budgets,
funding a PFD, and working through COVID-19 related funding and response. Some of the highlights are below:

- Flat funds education.
- **Funds school bond debt reimbursement and community assistance.**
- Makes modest increases to public safety for village public safety officers, troopers, and prisons.
- Allocates $75 million for the Dept. of Health and Social Services to bolster emergency medical and trauma systems.
- Allocates $5 million to the Disaster Relief Fund to be used by the Dept. of Military and Veterans' Affairs to help with the public health disaster response.
- Allocates $5 million for the Alaska Housing Finance Corporation to alleviate COVID-19-related homelessness.
- Provides Alaskans with a $1,000 PFD

Both the federal and state government continue to address the needs of our constituents. The CARES Act recently passed by Congress and signed allows for a boost in the weekly unemployment payment and provides for a $1,200 check to every American who qualified, making less than $100,000/year. You can read about the CARES Act [here](#).

The legislature is in recess, but we will return to our work when it is safe and will be doing everything we can to make sure that no Alaskan will be left behind.

Please don’t hesitate to get in touch with any issues or concerns and remember, I work for you.

All the best,

[Signature]

Office Phone: 907-465-4451 or toll free at 800-898-445
The Legislature passed a budget in record time. Here's what it means.

- $88 million for COVID-19 response
- Immediate help for displaced workers
- No teacher layoffs or K-12 school cuts
- $1,000 Permanent Fund Dividends
- No massive rate hikes at Pioneer Homes
- Full funding for the Senior Benefits Program
- Power Cost Equalization is protected
- Health providers are paid Medicaid bills they’re owed
- Vital Alaska Public Media reporting will continue

"Alaskans take care of Alaskans."

Speaker Bryce Edgmon, (I) Dillingham