

New Session and Our Work to Protect Alaska's Economic Future



Begich as the leader of Senate Democrats.

Dear Neighbor,

Legislators were sworn in for a new session on Tuesday. The House has not yet chosen a Speaker or other key positions, while the Senate has selected Senator Peter Micciche as Senate President and Senator Tom

Alaska's Savings and Economic Future Are at Risk:

Alaska is out of savings, except in the Permanent Fund. The legislature faces a simple choice: Will we start draining the Permanent Fund, putting Alaska into a fiscal death spiral of increasingly draconian cuts to police, schools, and transportation? Or will we be fiscally disciplined, honoring Alaska's spending cap that took effect in 2018 so that we can protect core services and future dividends?

The Governor's budget proposal suggests spending \$3.2 billion on super-sized cash payments to all Alaskans regardless of need. This would enlarge our annual operating budget deficits by hundreds of millions of dollars and make it impossible to pay any Permanent Fund Dividends in the near future. My position is simple: Honor our statutory spending cap, keeping the "draw" from the Permanent Fund at no more than 5% so our savings--and our economic future--remain secure.

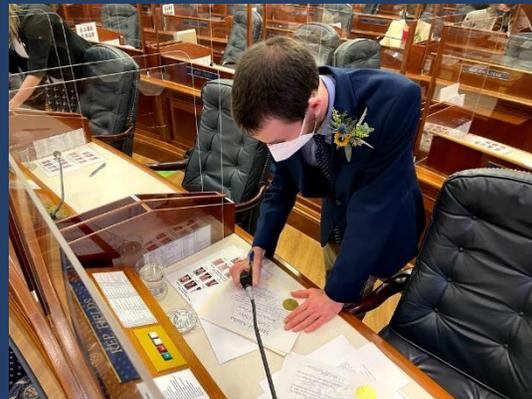
Alaska's Permanent Fund earnings now pay for more than 70% of the operating budget--our core services of schools, roads, and public safety. If we shrink the Permanent Fund, we also shrink future earnings and force deeper cuts in the operating budget, all while making it impossible to pay dividends.

Rather than burning down our trust fund and crippling our ability to maintain civilization in Alaska, we should be focused on building the fund to \$100 billion in present value dollars. That would insulate us against the vagaries of oil prices and ensure the stability of core services, while protecting our ability to pay sustainable dividends.

While the House is not yet "organized" and doesn't have a Speaker, majority, or key committee chairpeople identified, one thing is clear. The choice over whether we protect the Permanent Fund is the biggest policy battle we will have this session, and will likely drive House organization. What can you do? Let us know that you support fiscal sanity, protection of the Permanent Fund, and adherence to our 2018 POMV spending cap.

New Round of PPP Relief for Business:

This Friday, new PPP loans will be available for businesses. If you are a business owner having trouble navigating the process, please contact Tristan Walsh in my office, (907-465-6591 or Tristan.Walsh@akleg.gov) who has been successful helping several of our district businesses obtain much-needed financial relief from the first round of PPP loans.



President Biden and Congress Promise Financial Relief for Families:

We are lucky that in the hardest budget year in state history, the federal government seems poised to issue relief to working class families. Congress recently issued \$600 COVID relief payments, and the new administration and Congressional majorities are working to issue an additional \$1,400 in relief. Given the near-impossibility of large Permanent Fund Dividends this year, federal relief is well timed for Alaskans.

Federal Unemployment Relief:

Thanks to recently passed federal legislation, unemployed Alaskans are eligible for \$300/week in addition to traditional unemployment benefits, and the

\$300/week is retroactive to 1/2/21. Let my office know if you have questions or challenges applying through the Alaska Department of Labor, and thanks to Department of Labor and Workforce Development employees who are working hard to help Alaska throughout this pandemic.

District Issues:

I am happy to report that Department of Transportation and Public Facilities fixed the streetlights on C St. near the border of Fairview of South Addition, an outage that was reported to me by a constituent. Thank you to DOTPF employees for their work in getting the streetlights fixed.



Physically-Distanced Constituent Meeting:

This is how we see each other now--standing around in yards, parking lots and so on. In a pandemic modification of our traditional "constituent coffee", I'll be in the northwest corner of the New Sagaya parking lot (near the intersection of 13th and K) at 9am this Friday if you want to catch up and discuss pending legislative issues. Please bring a face mask.

See you around the neighborhood,
Zack

Follow us on social media:



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