

Southeast lawmakers prepare for session SLAM, ferry system, education and gas line are all priorities

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By Jennifer Canfield, Juneau Empire

Lawmakers are preparing for a legislative session full of debates on issues ranging from education funding and whether to pay down the state's unfunded pension liabilities to the terms of an in-state gas line.

Southeast lawmakers are also focused on ensuring that coastal communities benefit from a proposed gas line as much as Railbelt communities, maintaining funding for the ferry system and completing the State Library Archives and Museums project.

The second session of the 28th Legislature begins Tuesday. We contacted Southeast's lawmakers to hear what their priorities and expectations are for this session. We were unable to contact Sen. Bert Stedman, R-Sitka, in time for publication.

Rep. Cathy Muñoz, R-Juneau, said that she strongly supports the governor's proposal to transfer \$3 billion from state savings to pay down public employee and teacher pension debts, however, she would like to see more resources for schools.

"I think it's important that the classroom size issue be discussed," Muñoz said. "When they grow to a level that makes delivery of education difficult or challenging, we need to step back and ask if we're doing this properly."

Muñoz said she's interested in revisiting the idea of creating an endowment to fund education. Dedicated interest-yielding funds are already being used at the state level, Muñoz said.

The Power Cost Equalization program subsidizes energy costs for rural residents; the Alaska Performance Scholarship fund gives scholarships to Alaska students for post-secondary education; the Permanent Fund gives a check to every Alaska resident each year.

"(An endowment) makes a lot of sense to me," Muñoz said.

She added that the already existing Public Schools Trust Funds could be the seed for an endowment that would eventually be capable of fully funding education.

Muñoz said her office is also continuing to look into complications with the state's recent switch to Aetna as its insurance provider. She said she's heard from a lot of constituents that the transition has been problematic. She said her office will continue to communicate with the administration throughout the session to resolve reported issues.

She said her priorities for funding are the SLAM project, the Juneau Access Road, the mine training program at the University of Alaska Southeast and the Front Street Clinic. **She said she's also working on legislation that would allow Alaskans to re-enroll in the Airlift Northwest AirCare program,** which is a gap insurance program that covers the difference between what health insurance pays for a medical evacuation flight and what it actually costs. The program was disallowed in Alaska after the business went through a corporate restructure.

Rep. Beth Kerttula, D-Juneau, said she's expecting a tough session with lower state revenues.

"We're going to have arguments about even fundamental things, I'm afraid, like schools," Kerttula said.

Kerttula said her prime education concerns are the "digital divide" between urban and rural school and class sizes. The state is in its fourth year of not increasing the base student allocation, however, it has approved one-time funding packages to cover increased costs of energy or student transportation.

"In the long run every dollar spent on education comes back to us," Kerttula said. "Hopefully we will refocus and get a better plan for education."

Kerttula said she has major concerns about the tax changes that Gov. Sean Parnell's administration will propose for natural gas.

She said she, like other policy makers, is still learning about how the natural gas industry works as opposed to the oil industry. Parnell has said that his administration will propose a flat gross tax structure for natural gas.

"We stepped into the brave new world of a profits tax and the state benefitted tremendously when we had progressivity on the oil side," Kerttula said.

"With gas, I recognize there's big differences in the ways that the industry works with gas versus oil... I'm just wanting to understand it well enough to make a reasonable decision."

While much of the Legislature's efforts will focus on heavy hitting topics like the budget, education and a gas line, Kerttula said she's optimistic that some social issues will also be addressed. She co-sponsored a number of bills that seek to provide protections to women and working families.

Sen. Dennis Egan, D-Juneau, said he's working to reintroduce a bill that would outlaw synthetic drugs by more broadly defining them.

"We're just trying to make it more general so it will help the court system and police departments nab some of these dealers and stores that sell the stuff," Egan said.

Egan said he's also working to get a bill passed that would allow public employees and teachers to choose whether they want to participate in a defined benefit or a defined contribution retirement system. He said the bill is cost-neutral.

Egan said he's enthusiastic about discussing the gas line. He said that at first glance he likes the governor's proposal that the state take ownership in the gas line, but that he's also curious about the details.

"Just think if we'd owned an equity interest in the Trans-Alaska Pipeline," Egan said. "That was proposed way back when but it never made it through the Legislature."

Egan said he's looking to maintain \$13.4 million in funding to replace a bridge in Skagway.

"With all these mines in the Yukon that are supposedly coming online very shortly the main access to a terminal is Skagway," Egan said. "These ore trucks are going to be driving down the Klondike Highway and a real impediment to the tonnage they can carry is the William Henry Moore Bridge."

Improving ferry service in Southeast will be a major priority, Egan said.

Egan, who is the chair of the Senate transportation committee, said finding a way to repair the recently damaged breakwater in Gustavus will also be an issue for him.

"We're meeting with (Department of Transportation) Southeast director Al Clough soon to try to figure out a solution to that issue," Egan said.

Rep. Peggy Wilson, R-Wrangell, said she's also anticipating a lot of discussion surrounding education and the gas line.

"I think all of us are going to be involved and looking forward to see what can happen," Wilson said. "We need cheap energy for all of Alaska and I think for us to get that we're going to need, if possible, a big pipeline."

Wilson is still championing her the effort to create the Alaska Transportation Infrastructure Fund. She said transportation infrastructure is something that the state needs to continue to improve regardless of the economy.

"We still have to make sure that we have an environment in our state that will encourage people to come to the state, to start a business or to live," Wilson said. "We have to have two things for that; we have to have good infrastructure and we have to have cheap energy."

Rep. Jonathan Kreiss-Tomkins, D-Sitka, said he is ready to start looking at the state's "gargantuan" budget deficit. He's hoping that budget cuts won't be too drastic.

"It's going to be a grim budget process," Kreiss-Tomkins said. "It's something to expect, but I'm not looking forward to (it)."

Kreiss-Tomkins said he hopes to maintain funding for the ferry system, the renewable energy fund and education. He said he suspects that education funding will likely not increase much, but that he's uncertain how votes will be cast when it comes to several education policy bills.

He noted bi-partisan opposition to a bill that would allow for vouchers, and he thinks more Republicans will oppose it by the end of the session.

"Education isn't a black-and-white, cats-and-dogs kind of issue," Kreiss-Tomkins said.

"Education policy creates all sorts of unlikely allegiances and it's really hard to predict what's going to happen."

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