

ROAD PROJECTS COMING

to **Brayton, Dimond, Academy/Vanguard, O'Malley**



TAKE THE SURVEY

AKDOT is finalizing designs for big improvements to Brayton Drive and the Dimond, Academy/Scotter, and O'Malley intersections. Before they choose a final design for the roads, I am looking for YOUR input. Take the quick survey above!

January 25, 2025

I hope this first newsletter of the 2026 legislative session made it past your spam filters and finds you well!

We're back in session, and all things legislative are spinning back into motion. The days preceding my return to Juneau were filled with stories of powerful storms, epic snowfall, impassable streets, and roofs groaning under the heavy load in our state capital. Meanwhile, back home in Anchorage, the sun was shining and the snow on the hills and trails was great for skiing. I really enjoyed the great conditions, and I was wishing that I could stay a while longer.

But I had to go, and as it turns out, the day I left for Juneau the weather in Anchorage deteriorated rapidly. When I landed in Juneau, I discovered that the sun was shining, and that the roads were in very good conditions as warmer weather had done an incredible job of snow removal. It seems that my timing was nearly perfect.

The moral I took out of this story is to do what you gotta do, and things might just work out for the better.

In our reports below, I believe that you'll see that theme playing out. Right now we are dealing with very tight budgets, but there is the potential for progress and upcoming developments that will ease our economic and budgeting challenges far into the future.

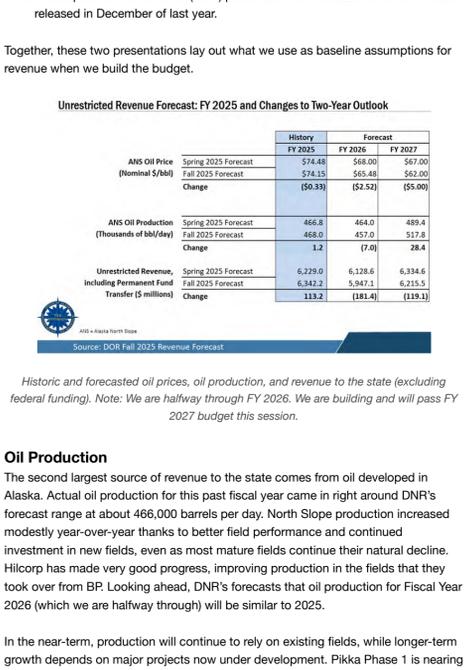
Now that the legislature has convened, and the Senate Finance Committee is meeting every day, I will continue to give you frequent updates on financial matters and other top issues that will define the future of our great state. I'm hopeful we can get a few of these large issues sorted this session, so stay tuned!

See below for details, and please reach out if you have questions, comments or would like assistance or more information.

It's my pleasure to serve you as your Senator for District F.

Regards, James

Road Projects Coming to Brayton Drive, Dimond, Academy, and O'Malley



Before I left for Juneau, I walked through the three neighborhoods along Brayton Drive who will be most impacted by the proposed road changes. I left my survey on all the doors and even got the chance to talk to some folks about what they want to see. It was cold, but well worth it!

For the last couple of months, I have been part of a Community Advisory Committee that is helping DOT design this project so it will better meet the needs of the neighborhoods that depend on these roads. DOT and the Committee have collaborated to identify the biggest needs and design some good improvements to address them.

Next month, the committee is set to finalize a design for each area of the project, so your input is critical and greatly appreciated!

Share Your Thoughts!

Your feedback will inform what design I end up supporting.

Session Begins... with taxes?



Session started Tuesday afternoon and things got off to a busy start. The first official vote we took was on a tax bill, SB 113, which was passed last session and vetoed this fall. On Thursday morning, we voted on whether or not to override the veto, and ultimately we voted to sustain the veto—which means the tax bill will not go into effect.

SB 113 sought to extend Alaska's corporate income tax on businesses who sell things online in Alaska but don't have any physical buildings or employees here. Think Netflix, Etsy, or a smaller incorporated business who sells things to Alaskans only online.

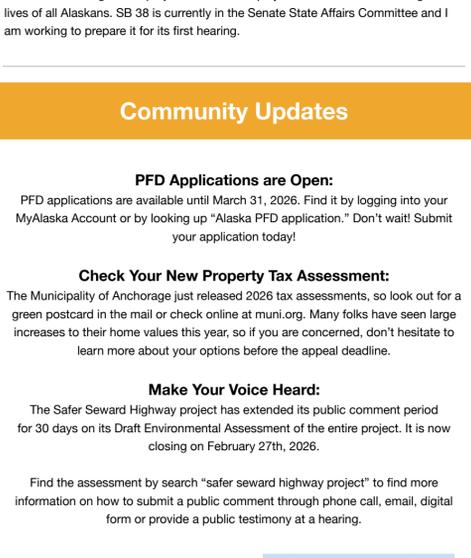
I did not support the bill when it went through the legislature last time, and I could not support the override vote this week. Here are some of my thoughts:

Alaska has a long history of boom and bust cycles. When our revenue is high, the government spends every dollar. When revenue is low, we are faced with deciding what programs are able to survive. Because this cycle often plays out one year to the next, it's Alaskan families who rely on our schools, roads, jobs, businesses, and state agencies who feel the pain. It's a bad way to budget.

Before we implement new taxes, we need effective spending controls in place to ensure we break the boom-and-bust and spend new tax-payer dollars responsibly. I don't want a future where the easiest choice for the government is to turn to your wallet when theirs gets low.

Since I joined the legislature, I have advocated for implementing an effective spending cap, currently my Senate Bill 36. The goal is not deep cuts, but a system that will smooth out the boom and the busts so we spend responsibly in high revenue years and have enough money saved to get us through the tight years. SB 113 was not designed to fix all of our revenue problems, so I can understand why it was proposed separately from a larger fiscal plan. That said, I would like to see any new revenue options paired with spending control.

Thanks For Coming!



Thanks to everyone who came out to Steamdot earlier this month to catch up with Rep. Coulombe and I! It was great to talk about your priorities headed into this new year! Be on the lookout for another one coming up in February!

Next Year's Budget Outlook

As a member of the Senate Finance Committee, I have a front-row seat to the work that goes into setting the state budget. During the first week of session, we heard two presentations:

1. The Department of Natural Resources (DNR) presented on forecasts for oil production on state and federal lands.
2. The Department of Revenue (DOR) presented their Fall 2025 Revenue Forecast released in December of last year.

Together, these two presentations lay out what we use as baseline assumptions for revenue when we build the budget.

		History		Forecast	
		FY 2025	FY 2026	FY 2026	FY 2027
ANM Oil Price (Nominal \$/bbl)	Spring 2025 Forecast	\$74.48	\$68.00	\$67.00	\$67.00
	Fall 2025 Forecast	\$74.35	\$65.48	\$62.00	\$62.00
	Change	(\$0.39)	(\$2.52)	(\$5.00)	
ANS Oil Production (Thousands of bbl/day)	Spring 2025 Forecast	466.8	464.0	489.4	489.4
	Fall 2025 Forecast	465.0	477.0	517.8	517.8
	Change	1.2	(7.0)	28.4	
Unrestricted Revenue, Including Permanent Fund Transfer (\$ millions)	Spring 2025 Forecast	6,229.0	6,128.6	6,334.6	6,334.6
	Fall 2025 Forecast	6,343.2	5,987.2	6,215.3	6,215.3
	Change	113.2	(181.4)	(119.3)	

Historic and forecasted oil prices, oil production, and revenue to the state (excluding federal funding). Note: We are halfway through FY 2026. We are building and will pass FY 2027 budget this session.

Oil Production

The second largest source of revenue to the state comes from oil developed in Alaska. Actual oil production for this past fiscal year came in right around DNR's forecast range at about 466,000 barrels per day. North Slope production increased modestly year-over-year thanks to better field performance and continued investment in new fields, even as most mature fields continue their natural decline. Hilcorp has made very good progress, improving production in the fields that they took over from BP. Looking ahead, DNR's forecasts that oil production for Fiscal Year 2026 (which we are halfway through) will be similar to 2025.

In the near-term, production will continue to rely on existing fields, while longer-term growth depends on major projects now under development. Pikka Phase 1 is nearing completion with first oil expected in early 2026, and the Willow project remains on track for first oil in 2029. We should finally start seeing significantly more oil production out of the North Slope in the next few years.

What that means for the budget

The Department of Revenue translates the oil production forecasts into what that means for revenue to the state. Overall, each \$1 decline in per-barrel oil prices translates to around \$30-35 million reduction in state revenue.

As you can see in the image above, oil price forecasts have declined since DOR's last forecasts in spring of 2025 from \$68 a barrel to \$65.48 a barrel. For FY 2027 (the budget we are working on now), they are forecasting \$62 a barrel.

As a state that still relies on oil revenue heavily to pay for state government, continuing downward pressure on oil prices is putting serious pressure on the state budget.

A visual breakdown of where our unrestricted revenue comes from.

Permanent Fund Revenue

The largest source of revenue to the state is investment earnings from the Permanent Fund. The Fund continues to grow and the interest is providing a larger share of our state budget each year. Alaska's budget is now driven more by investment earnings than oil.

In FY 2025, nearly 60 percent of unrestricted funds we use to pay for most things in the budget comes from Permanent Fund investment earnings, while petroleum accounts for about 30 percent. Oil still matters - but it no longer pays anywhere near the full cost of government on its own.

Where are we in the budget process?

Operating Budget
View documents for each at Legfin.akleg.gov

1. Governor's Proposed Budget
2. **House budget review process - We are here**
3. Governor's Amended Proposed Budget
4. House continues budget review process
5. House Proposed Version of the Budget
6. House passes the Operating Budget
7. Senate review process
8. Senate Version of the Budget
9. Senate passes the Operating Budget
10. House and Senate negotiate a compromise Budget
11. Final Budget is passed by the full Legislature
12. Governor Signs the Budget with Vetoes

Capital Budget
View documents for each at Legfin.akleg.gov

1. Governor's Proposed Budget
2. **Senate review process - We are here**
3. Governor's Amended Proposed Budget
4. Senate continues budget review process
5. Senate Proposed Version of the Budget
6. Senate Passes the Capital Budget
7. House review process
8. House Version of the Budget
9. House Passes the Capital Budget
10. Senate and House negotiate a compromise Budget
11. Final Budget is passed by the full Legislature
12. Governor Signs the Budget with Vetoes

Why is My Gas Bill Going Up?

Map of the proposed natural gas pipeline.

You've seen your Enstar gas bill go up in the last few months and you've probably seen articles about a proposal to build a 800+ mile natural gas pipeline from the North Slope down to Nipisiki. So how are these connected?

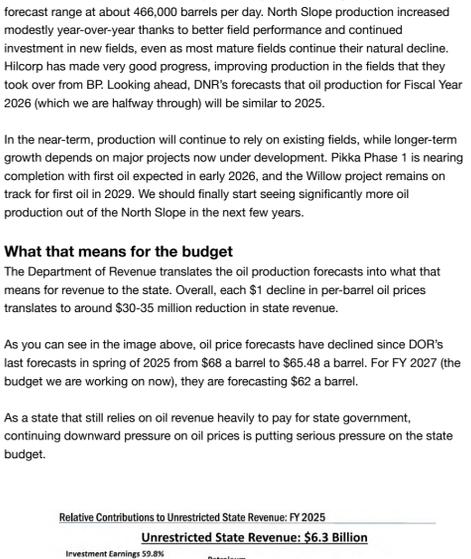
The Cook Inlet has provided all the natural gas used in Anchorage and other Southcentral communities for decades. However, supply is decreasing and there aren't new wells being drilled to fill all the need. In the next 5-10 years, we will either need to start importing gas, or figure out how to get the ample supply from the North Slope down south. That's where this proposed pipeline (called Alaska LNG) comes in.

The Alaska LNG pipeline has been talked about for more than 40 years. Planning, engineering, permitting, and land acquisition (following the Trans-Alaska Pipeline) are almost entirely done, but the project has never gotten the needed funding to actually start.

In the last year and a half, Glenfarne, a private energy company signed a contract with the state to assume ownership of the project and take responsibility for securing the funding needed to go to the build stage. They have made impressive progress and have said they are on track to begin ordering materials in the next few months.

That said, I've been following this process closely and cautiously. This is a big project that has the potential to deliver ample gas throughout the road system. But I want to make sure the state, and more importantly Alaskans', interests are protected. I encourage you to keep an eye on the news and let me know what you think! You can also learn more about the specifics of the project at alaska-lng.com

Welcome to the Capital!



I enjoyed a walkabout my first full day in Juneau! I stopped by the Governor's House (right) on my walk to the Capitol (left). I appreciate getting to walk to work while I am down here!

Bills are Moving!

My biggest legislative priorities continue to be addressing Alaska's big fiscal issues and improving the way we plan and budget as a state. I also have other legislation that I believe can make meaningful changes to our state and district.

Dig into these and let me know if you have any thoughts!

Already Scheduled for a Hearing:

Repealing Unused and Inactive Funds | SB 163
While we spend our time debating the big ticket items, many small expenses quietly draw on the state's coffers. A few years ago, my Senate Bill 25 repealed several long-dormant accounts that we were still paying to maintain and instituted a biennial review mechanism to identify more inactive funds for repeal. The first report came out at the beginning of this year and showed that there are 56 inactive funds currently on the books. SB 163 takes the first step toward cleaning up our books by repealing 11 of these funds. This is the sort of good governance bills that I am always on the look out for!

Fiscal Policy

GDP-Based Cap on Government Spending | SB 36 / SJR 4
Senate Bill 36 is a functional state spending cap which constructively links our private sector performance (measured by GDP) and government spending. An effective limit like this one creates stability and predictability in our budgeting process - in economic boom years, extra revenues are pushed forward, preventing the need for drastic cuts in down years.

Integrating Strategic Planning into our Budgeting | SB 37
Senate Bill 37 reorganizes the Executive Budget Act to integrate strategic planning and performance management into the state's budgeting process. This legislation would put state agencies on four year strategic operating plans, help the Legislature more effectively review budgets for each agency, and improve transparency for the public.

Modernizing our Permanent Fund Account | SJR 5
A little background, the Permanent Fund is broken into two accounts, the constitutionally un-spendable Principal (~70 billion) and the spendable Earnings Reserve Account (ERA) (~15 billion). In 2018, the Legislature began using a 5 Percent of Market Value (POMV) draw to manage withdrawals from the Permanent Fund. That 5% is based on best practices of other large endowment funds. Since then, yearly POMV draws and required inflation proofing have begun depleting the ERA.

There is a growing understanding by both the Permanent Fund Corporation and the Legislature that the two-account structure (where only the ERA is available for appropriation by the Legislature) could result in a fiscal crisis if the ERA is ever depleted far enough. At the end of last year, APFC's Board of Trustees produced "2024 APFC Trustees' Paper 10" which outlines in much more detail the problem and recommended solution.

SJR 5 consolidates the Principal and the Earnings Reserve into one account managed for total return. It then constitutionalizes a "no greater than" 5.5% yearly POMV draw. The expectation is that a lower POMV draw would be put into statute. It also includes language ensuring that a Permanent Fund dividend is paid yearly according to a formula in statute. SJR 5 is currently in the Senate Judiciary Committee.

Modernizing Government

Creating an Office of Information Technology | SB 38
Senate Bill 38 reorganizes the fundamental role of Information Technology (IT) projects in innovative solutions that can move Alaska into a new era of management and operations. This bill establishes the Office of Information Technology within the Department of Administration. The legislation creates clear roles, guides development of structured processes, and standardizes management practices for overseeing IT projects across state agencies.

We empower the State Chief Information Officer (CIO) to oversee IT projects, ensuring adherence to best practices, ensuring budget compliance, and delivering results that align with legislative intent. SB 38 also requires state agencies to document IT project requirements in biennial information technology plans, promoting transparency and accountability. Advancing this bill helps to create a more efficient, responsive, and customer-driven information technology landscape in our state, ensuring that IT projects continue to play a crucial role in enhancing the lives of all Alaskans. SB 38 is currently in the Senate State Affairs Committee and I am working to prepare it for its first hearing.

Community Updates

PFD Applications are Open:

PFD applications are available until March 31, 2026. Find it by logging into your MyAlaska Account or by looking up "Alaska PFD application." Don't wait! Submit your application today!

Check Your New Property Tax Assessment:

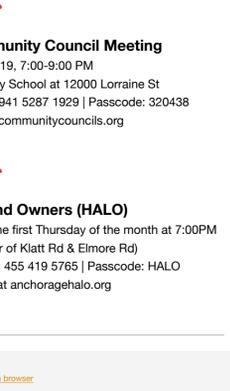
The Municipality of Anchorage just released 2026 tax assessments, so look out for a green postcard in the mail or check online at muni.org. Many folks have seen large increases to their home values this year, so if you are concerned, don't hesitate to learn more about your options before the appeal deadline.

Make Your Voice Heard:

The Safer Seward Highway project has extended its public comment period for 30 days on its Draft Environmental Assessment of the entire project. It is now closing on February 27th, 2026. Find the assessment by search "safer seward highway project" to find more information on how to submit a public comment through phone call, email, digital form or provide a public testimony at a hearing.

Our Neighbors go to the Olympics!

Congratulations to the 8 Alaskans who made the US Ski Team and are headed to the 2026 Winter Olympic Games in Milano Cortina. And a special shoutout to two of my constituents, Gus Schumacher and Rosie Brennan! I'll be cheering you on!



I am Here to help!

As always, I want to hear from you! Whether you have an opinion you would like to express or if you need help with anything government-related, please reach out via email or phone call and I will do the best to assist you.

Reach out!

By Phone: Monday-Friday, 9am to 5pm
By Email: Anytime!

P: 907-465-4949 | E: Sen.James.Kaufman@akleg.gov

Find Your Community Council

Abbott Loop Community Council Meeting

Thursday, January 29, 6:30-8:30 PM
Available on Zoom: Meeting ID: 834 4646 7426 | Passcode: ALCC

Find more information at communitycouncils.org

Hillside Community Council Meeting

Wednesday, February 4, 6:30-8:00 PM
Alaska Conference of Seventh-day Adventists State Headquarters building (NOT the church itself) at 6100 O'Malley Road
Also available on Zoom: Meeting ID: 865 9049 3825 | Passcode: 372912

Find more information at communitycouncils.org

Huffman/O'Malley Community Council Meeting

Thursday, February 19, 7:00-9:00 PM
In-person at Huffman Elementary School at 12000 Lorraine Ave
Also available on Zoom: Meeting ID: 941 5287 1929 | Passcode: 320438

Find more information at communitycouncils.org

Hillside Home & Land Owners (HALO)

Check online for meeting dates, typically the first Thursday of the month at 7:00PM
Shepherd of the Hills (corner of Klatt Rd & Elmor Rd)
Also available on Zoom: Meeting ID: 455 419 5765 | Passcode: HALO

Find more information at anchoragehalo.org

View email in browser

Get ahead of us!

Sen.James.Kaufman@akleg.gov | (907) 465-4949 | Check out our Website

We still like Snail-Mail!

During Session (January - May): Alaska State Capitol, Room 115, Juneau, AK 99801

During Interim (June-December): 1500 W Benson Blvd, Anchorage, AK 99503

update your preferences or unsubscribe