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For Immediate Release: May 23, 2025

Friends and Neighbors,

The first session of the thirty-fourth Legislature adjourned early yesterday afternoon, one day early!

As expected, the Governor vetoed HB 57: Schools, Communication Devices/Class Size and Funding. The Legislature met in a joint session to override the veto. The Senate voted 17/yeas to 3/nays and the House voted 29/yeas to 11/nays, for a total veto override of 46/yeas to 14/nays. This solidifies the \$700 increase to the Base Student Allocation (BSA) to \$6,660 per student. The increase amount is added to the FY26 Operating budget. There is a possibility that the Governor will line item veto this amount in the budget. If that happens, a veto override will need 45/yea votes.

A balanced FY26 Operating budget was passed. The FY25 Supplemental, a shortfall of approximately \$250 million, was rolled into the budget. The bill called for the Supplemental shortfall to come out of the Constitutional Budget Reserve (CBR), which requires a vote of 15/Senate and 30/House. The Senate received 17/yea votes and the House received 22/yea votes. Thus, the CBR section fails. The budget contains contingency language that if the CBR failed, a majority of the funds would come from the Alaska Industrial Development and Export Authority (AIDEA) and the remaining from the Higher Education Fund. The balanced FY26 budget has a small buffer of about \$57 million, which will help to cover deficits that result of oil prices fall below \$66/barrel. In addition, the FY26 Capital budget passed. More on that below.

Capital Budget – SB 57

On May 16th the Senate voted 20y-0n to concur with changes made to the capital budget in the house of representatives. Some notable items in the capital for Senate District S:

- Education – 2.73m – Mt. Edgecumbe – replace dorm windows
- DEC- Village Safe Water – 21.8m in General Fund to tap into 416m Federal funds for a total of 437.8m
- Military & Veterans Affairs – Bethel Armory Barracks 550k
- Dept of Revenue – AHFC rural professional housing 11.55m

Transportation

- Adak Loader -950k
- Bethel Broom/Blower- 760k Bethel Loader - 475k Bethel Taxiway, Apron, Fencing Improvements, and Service Road -Stage 1 26.942m
- Dillingham Tow Broom- 570k Dillingham Truck (Tow Behind Broom) - 380k
- Igiugig Resurfacing and Dust Palliative -1.33m
- King Cove Loader replacement - 475k
- Kokhanok Resurfacing and fencing - 16.625m
- Kwigillingok Airport Improvements (Stage 2) - 23m
- Napaskiak Loader - 475k
- Pedro Bay Resurfacing and Dust Palliative - 1.045m
- Red Devil Dust Palliative - 570k
- Akiachak Replacement Grader – 475k
- St. George Replacement Loader – 456k St. George Windcone and Beacon – 1.33m
- St. Paul Replacement Loader – 456k
- Stony River ALP Update - 332.5k
- Unalaska Replacement Loader – 494k
- Cold Bay AMHS Ferry Terminal Reconstruction 8k
- Naknek and King Salmon Non-motorized pathway 302.5k
- M/V Tustumena Replacement 106.4m
- Aleknagik Lake Road – Milepost 5-20 Pavement – 15.055m
- Chief Eddie Hoffman Highway Reconstruction – 2.729m
- UAF Troth Yeddha' Indigenous Studies Center – 53m