

# 2019 CAPITOL CURRENTS

31<sup>st</sup> Alaska State Legislature ~ 1<sup>st</sup> Session

Third Edition – 1/28/19 to 2/3/19

– 71 Days to go! –

*~ It's cold and windy in the Capital City.  
The House remains in limbo, while talks continue.  
The Senate is operating, slowly but surely ~*

## HIGHLIGHTS

Senator Elvi Gray-Jackson introduced legislation on Monday establishing February as Black History Month in perpetuity. In the past, resolutions were passed annually declaring February as Black History Month.

Black History Month has been observed annually since 1970. This month is chosen because it coincides with the birthdays of Abraham Lincoln on February 12, and Frederick Douglass on February 14. It acknowledges and celebrates the often marginalized or overlooked contributions of African-Americans to all facets of American life

Following a “scathing” audit the Mental Health Trust says it will do better. The auditors found the trust had overreached its investment authority by buying and managing commercial real estate it wasn't supposed to; and mishandled earnings from those properties.

The auditors also found some board members were deliberately obscuring trust business that should have been public.

The Alaska Criminal Justice Commission (ACJC) held a public meeting to get feedback on SB 91 following Governor Dunleavy's announcement of four bills (more coming) aimed at rolling it back.

The American Lung Association released the 17<sup>th</sup> annual State of Tobacco Control report this week. See Alaskan results here: [A for Tobacco Prevention and Cessation Funding](#) [B for Smokefree Air](#)

AG Clarkson filed a lawsuit against opioid manufacturer Mallinckrodt PLC, Mallinckrodt LLC and SpecGXLLC for allegedly deceiving consumers about the risks of its prescription opioid products in violation of the Alaska Unfair Trade Practices and Consumer Protection Act. Click here for more information: [opioid lawsuit](#) This is the third suit filed against opioid manufacturers since 2017.

Alaska sued Purdue Pharma, L.P. - the producer of Oxycontin - and its corporate family in October 2017 and in 2018 McKesson Corporation, Cardinal Health Inc. and AmerisourceBergen Drug Company were sued, the state alleging the they didn't report or halt suspicious orders.

Alaska joined 27 other states in the 2017 case which is set for trial in March 2020.

Last but not least, the longest recession in Alaska's history will probably end later this year but the economy won't look much different than it does now, according to seasoned Alaska economists. Dramatic budget cuts could change that picture.

## GOVERNOR'S CORNER

The governor's office will post press releases and other items of interest here:

<https://gov.alaska.gov/>

A busy Governor Dunleavy and his new AG held a press conference to discuss the three constitutional amendments mentioned during the State of the State last week that would shift power away from the Legislature – protecting the dividend, new taxes must be approved by the people, and a spending cap/savings fund.

Prognosis is guarded since it takes a 2/3 vote in each body. The debates should be interesting.

We have a new Commissioner of Administration, Kelly Tshibaka. She was appointed following the abrupt resignation of her predecessor, John Quick, due to resume issues. She has worked for the federal government in a variety of capacities. Ms. Tshibaka said her focus will be on management, audits and efficiency.

## BUDGET ISSUES

This week, the Dunleavy administration transmitted two supplemental bills to the Legislature, a disaster bill responsive to fire suppression needs, the Southcentral Earthquake Disaster and subsequent recovery efforts; and, a bill addressing shortfalls in the State's operating and capital budgets for FY2019

The disaster bill includes a special appropriation to aid in recovery efforts associated with the Southcentral Earthquake, including initial State match to meet federal funding requirements.

The "regular" supplemental includes a \$5 million transfer of unused funds from the Alaska Gasline Development Corporation (AGDC) back to the General Fund; final loan payments for the Whittier Tunnel Project, reducing the State's debt obligation; increased funding to maintain and renovate trooper housing in rural Alaska; and a 7.5% salary increase for Alaska State Trooper retention and recruitment efforts.

Many R's and D's were surprised and dismayed by a couple of other actions—a \$20 million reduction for education and \$3 million reduction for VPSO's—taking funds originally approved for expenditure by the Legislature last session.

OMB Director Arduin is having problems with democrats who are asking about her business interests, based on her connection to a private prison company and history of supporting private prisons in other states.

## ITEMS OF INTEREST/BILLS ON THE MOVE

Several departments are having their first budget subcommittee overviews throughout the week: **Tuesday at 9:00am SEDC** will be reviewing the loss of accreditation by the UA School of Education; also **Tuesday at 9am SFIN** will hearing about the negotiated labor contracts; and there's a lunch and learn on **Wednesday at noon** about the Earthquake—the effects; how it was monitored; the USArray System & what is thought to happen in the future by Michael West, State Seismologist

Three of the **Governor's Crime bills** are scheduled for hearings this week-

[SB 32](#) will be heard in SJUD on Wednesday at 1:30pm, Friday at 1:30pm, and Saturday SJUD will be taking public testimony on the measure starting at 1:00pm.

[SB 33](#) and [SB 34](#) will be heard in SSTA on Thursday at 3:30pm.

[SB 37](#) Renewal of Vaccine Assessment Program sponsored by Sen. Giessel will be heard in SHSS Wednesday 1:30pm. Both invited and public testimony will be taken.

**Thursday at 9:00am, SFIN** will hear a presentation on the fiscal impacts of the opioid crisis from the departments of health and social services, corrections and public safety.

Also, on **Thursday at 1:00pm** the House will hold an informational hearing to receive an update from the Alaska Mental Health Trust Authority.

The **Governor's Council on Disabilities and Special Education** will present to SHSS on Friday at 1:30pm.

### **Board/Council Extensions**

[SB 36](#) Extend Board of Nursing sponsored by Sen. Giessel is scheduled for a hearing in SL&C on Thursday at 1:30pm. The bill extends the Board through June 30, 2025. Both invited and public testimony will be taken.

## **WAYS TO FOLLOW HEARINGS**

**Website**-Daily Committee Hearings for February 4-9, 2019

[Weekly Hearings](#)

**Gavel to Gavel:** Most committee hearings can be seen and heard on Gavel Alaska. It is broadcast on both local access TV and on the internet at [360 North](#)

### **Streaming Video**

[alaskalegislaturetv](#)

### **Testifying**

Legislative Information Office (LIO) [LIO Offices](#)

In Juneau: See committee hearing list for room numbers

Call-in: available with prior approval from the committee chair  
1-855-463-5009 or in Juneau 907-463-5009

**~ End of Report ~**

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