

# **2019 CAPITOL CURRENTS**

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

**Sixteenth Edition – 4/29 to 5/5/19**

*~ 17 days to go. Crunch time. ~*

## **It's still all about the OPERATING BUDGET & CRIME BILLS**

### **HIGHLIGHTS**

The Senate passed its operating budget after three hours of debate, 19-1. Three out of 25 amendments survived including adding \$800,000 to the low income Seniors program and \$20 million to cover last year's education funding one timer the governor is currently holding.

Most of the Governor's reductions were rejected but there still were deep cuts to services. Operations are reduced by \$171 million – biggest losers-- \$83 million from Medicaid, \$40 million from the Marine Highway System and \$5 million from the University.

Finance Co-chair Senator Stedman said it could be the biggest operating budget reduction in state history. Still, it comes in at more than \$200 million over last year thanks to \$3000 dividends. Senator Birch's attempt to reduce the PFD to \$1200 failed 17-3.

The Senate's budget fails to balance with a funding gap of about \$1.2 billion that will have to be filled somehow. They also plan to transfer \$12 billion from the Permanent Fund earnings account that legislators can spend to the Fund corpus where they can't.

This will earn another \$60 Billion or more in 20 years.

“This is a budget that nobody loves”, said Senate Minority Leader Tom Begich. The Minority, involved in the budget process from the start, thanked Co-Chair Stedman and Senate President Giessel for a fair and transparent process.

The House didn't concur with Senate Amendments so the Operating Budget Conference Committee is next where they will sort out differences. The 24-hour rule will kick in with just one-day advance notice required for hearings.

Saying she wants a \$3,000 dividend, Rep. LeDoux voted against the House budget in favor of the Senate version. The action breaks the coalition deal requiring support of the budget and procedural votes from the Majority which she acknowledged as she left the caucus. The Majority now includes 24 of the House's 40 members.

In the meantime, a proposal to rewrite the traditional formula for the Dividend passed Senate Finance, went to the floor and then back to Rules for amendments. It could be part of a grand compromise on long term protection of the fund.

Under [SB 103](#), the new formula would take the annual PF transfer and split it 50/50, half for dividends and half for state spending. One big sticking point is whether the proposal should go to a statewide vote. According to Senate President Giessel, the long-term goal is to re-establish a PFD plan that is realistic and doesn't drain the Permanent Fund.

## **BUDGET ISSUES**

### **Bill Hearings:**

**HB 106** School Bond Debt Reimbursement will be heard in **SFIN on Monday at 9am.**

Amendments to the Capital Budget, **SB 19**, will be taken in **SFIN Tuesday at 9am.** SFIN reviewed the bill on Friday and Senator Von Imhof requested amendments by 5pm on Monday.

**HSTA** will again hear several proposed constitutional amendments on **Tuesday at 3pm** **HJR 5** State Tax: Initiative; **HJR 6** Constitutional Amend: Permanent Fund & Dividend; **HJR 7** Constitutional Amend: Approp. Limit; Reserve Fund all sponsored by the Governor.

**Wednesday at 8am HEDC** will hear **HB 136** Public School; Social Emotional Learning sponsored by Rep. Hopkins. The bill requires each public school to allocate one-half of one percent of state aid to social and emotional learning activities.

**HB 28** Equal Pay & Minimum Wage Act sponsored by Rep. Garr receives its second hearing on **Thursday at 3pm in HSTA.** The bill will raise the minimum wage to \$15 an hour effective January 1, 2020 and requires the Department of Labor and Workforce Development to prepare an annual report on fair pay practices.

**HJR 18** Constitutional Amend: Permanent Fund; POMV; Earnings sponsored by Rep. Kreiss-Tomkins moved from HSTA this week and was heard in JUD but failed to move.

**SJR 9** Constitutional Amend: Approp. Bill for Public Education sponsored by Senator Costello still awaits a hearing in FIN.

Many think it unlikely the Legislature will sign off on any of the various proposed constitutional amendments (three from the Governor) which have received bi-partisan skepticism in both bodies. It takes 27 votes in the House and 14 in the Senate. But they still have time to pass next session for the 2020 ballot.

## **GOVERNOR'S CORNER**

The governor's office will post press releases and other items of interest here:  
<https://gov.alaska.gov/>

Health care professionals, many wearing scrubs and doctor's coats, told the Governor in the lobby of the Anchorage Surgery Center that his proposed Medicaid cuts could devastate health care and have life threatening consequences. The WAMMI cuts are also a worry.

The Governor is being sued by the Coalition for Education Equity. It argues he must follow the law and release the \$20 million appropriated by legislators last year rather than "impounding it" in violation of the Constitution. School Districts expected to get the money several months ago.

## **BILLS ON THE MOVE**

Great news! **SB 93** SHARP 3 passed the House Floor and then concurred in the Senate now awaiting transmittal to the Governor's Office.

### **Headed for Floor votes:**

[HB 29](#) Insurance Coverage for Telehealth sponsored by Rep. Spohnholz moved from HL&C and is scheduled for the Floor on Monday.

[SB 36](#) Extend the Board of Nursing and [SB 37](#) Renewal of Vaccine Assessment Program sponsored by Senator Giessel moved from HFIN and are scheduled for the Floor on Monday.

### **Hearings:**

[HB 97](#) Telehealth; Physician Assistants; Drugs sponsored by Rep. Kreiss-Tomkins (companion to SB 44) will be heard in **HL&C Monday at 3:15pm.**

[HJR 19](#) Support the 2020 Census sponsored by Tribal Affairs will be heard **Tuesday at 8am in CRA.** The resolution urges Congress to fully fund the United States Census Bureau for the 2020 Census; the governor to prioritize an accurate count for the 2020 Census; and local governments to establish local complete count commissions.

[HB 69](#) Repeal AK Public Broadcasting Commission sponsored by the Governor will also be heard **Tuesday at 8am in CRA.** The bill repeals state statutes establishing the Alaska Public Broadcasting Commission effective June 30, 2019.

[HB 142](#) Native Organizations VPSO and TANF Programs sponsored by Rep. Kreiss-Tomkins receives its first hearing in **JUD on Wednesday at 1pm.** The bill clarifies that the Central Council of the Tlingit & Haida, a federally recognized tribe, can administer VPSO and/or family assistance programs in partnership with the State of Alaska.

### **Passed from Committee:**

[SB 10](#) Extend the Suicide Prevention Council sponsored by Sen. Kawasaki unanimously passed the Senate and was referred to HFIN.

[SB 80](#) Initiative Severability sponsored by Sen. Birch passed the Senate and was referred to House STA and JUD. It prevents a court from severing a ballot proposition before it appears on the ballot. The bill ensures initiative language is the same as that circulated during the signature gathering phase.

### **Crime Bills:**

[HB 12](#) Protective Orders sponsored by Rep. Kopp passed both bodies and is awaiting transmittal to the Governor's Office

### **Hearings:**

[Work Draft HB 49 FIN](#) combines several elements from the various crime bills circulating this session into one piece of legislation. See what's included here: [HB 49 Sectional](#) HFIN introduced the work draft Friday and started working through it for 6 ½ hours on Saturday. [Saturday's hearing](#) It will be back before FIN on Monday.

Meanwhile, SFIN continued working on the Governor's crime package. They took public testimony Friday on [SB 32](#) Crimes; Sentencing; Mental Illness; Evidence; [SB 33](#) Arrest; Release;

Probation; Sentencing; and [SB 34](#) Probation: Parole: Sentences: Credits. Felony or Misdemeanor penalties for possession of drugs and treatment requirements are among the rubs.

[HB 14](#) Assault; Sex Offenses; Sentencing Aggravator sponsored by Rep. Lincoln is scheduled to be heard in **SFIN on Monday at 9am**.

A justice reform special session is possible, but they seem to be working hard to avoid it.

### **ITEMS OF INTEREST**

**Monday at 8:30am**, H and SEDC will meet jointly to hear a presentation on Alaska's University for Alaska's Schools-Teacher Preparation, Retention and Recruitment Initiatives at the University of Alaska by Dr. Steve Atwater, Executive Dean of the UA College of Education.

**Thursday at 3pm HSTA** will hear a presentation on Missing and Murdered Indigenous Women by the Department of Public Safety and at the same time **HHSS** will hear a presentation on Alaska's Substance Abuse Treatment System.

### **WAYS TO FOLLOW HEARINGS**

**Website**-Daily Committee Hearings for April 29- May 4, 2019

[Daily Calendar](#)

**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: In Juneau dial 586-9085; in Anchorage dial 563-9085; all others dial (844) 586-9085

**~ End of Report ~**

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