

2019 CAPITOL CURRENTS

31st Alaska State Legislature ~ 1st Session

Seventeenth Edition – 5/6 to 5/12/19
Happy Mother's Day

~ Last week? Much to do. More fights to go.~

HIGHLIGHTS

Senate Finance is working into the afternoon on Mother's Day to finish their version of the Crime Bill, HB 49. It's a large, complicated bill with many moving parts.

Former state Senator and last living Alaska Constitution Delegate Vic Fischer testified against Governor Dunleavy's proposed taxation amendment to the constitution that would require voter approval of all new taxes or tax increases. He said it was poorly written and would handicap our future.

The University of Alaska just issued layoff notices for 48 of 51 HR employees effective in September. This is part of a downsizing and reorganization effort President Johnson calls a "redesign". They will be given a chance to apply for new HR jobs.

The House passed [HB 96](#) with bi-partisan support that would block rate increases and keep Pioneer Homes affordable by limiting cost increases to match inflation. Six communities have homes. HB96 is referred to HSS and FIN in the Senate.

Lawmakers voted to extend the Alaska Vaccine Assessment Program ([SB 37](#)), a self-funded, public-private partnership launched in 2015 that supplies reduced cost vaccines to more than 100 health care providers around the state. Immunization rates are on the rise since 2017.

Déjà vu. The Legislature announced the creation of a joint House-Senate working group (Senator Olson and Rep. Kopp will serve as co-chairs; members include Sens. Bishop and Shower and Reps. Edgmon and Rauscher) to investigate ways to substantially improve the Village Public Safety Officers program. This key rural "police force" suffers from high turnover and poor retention rates leaving many communities without a law enforcement presence.

[Strength of Tides](#) is a grassroots movement that supports and empowers women who work on the water. They are asking boat captains, fishers and others in the industry to sign a pledge demanding zero tolerance for sexual assault and harassment.

The Legislature is under the 24-hour Rule. Bills may be publicly noticed the day before a hearing. Review the [Daily Schedule](#) or go to the BASIS home page [BASIS](#) and enter the bill number (HB39 or SB19 as examples) in the Search box each morning to see if the bill is scheduled

BUDGET ISSUES

The operating budget is now in the conference committee for final answers. They are aiming to finish before session's end on May 15. Conference members include Senators Stedman, von Imof, Olson and Reps. Foster, Wilson and Tilton. Rep. Foster is the presiding officer for the committee.

The major topics to resolve:

1. Amount of the PFD – Senate \$3,000ish, House hasn't decided but left room for a \$1200 check;
2. School Bond debt reimbursement to build and maintain schools - House is at half the traditional amount; Senate fully funded at \$100 million. Note: [HB 106](#), now in Senate Finance, would extend the moratorium on school construction until 2025.
3. HSS budget - Senate cuts \$55 million more than the House but not close to Dunleavy's original proposal. Biggest cuts are in Medicaid, behavioral health treatment and recovery grants, and cash to needy, aged and disabled Alaskans.
4. Marine Highway - House would cut it by \$11 million, Senate reduction is \$29 million. Both bodies maintain funding for ferries through June 2020. The Governor would end funding in October 2019.
5. Corrections - Senate would spend \$25 million more than the House adding money for population management and inmate's health care.
6. Education Funding - The biggest difference with the Governor's budget is over education funding. The Legislature wants to continue two year funding put in place last year. The Governor opposes a two-year cycle saying it is unconstitutional (among other things) and proposed \$324 million less than both bodies – a big gap.

The Governor says he won't veto education money if the Legislature drops the two-year cycle. A lawsuit to resolve constitutional issues is possible. Dunleavy also proposed \$124 million less for the University than the House and Senate.

Note: The Conference Committee on Friday fully funded public radio and television contrary to the Governor's wishes and refused cuts to Serve Alaska, a program that organizes volunteers for AmeriCorps.

The Senate passed a modest capital budget ([SB 19](#)) that mostly leverages federal funds for infrastructure and water projects. The total package is about \$1.4 billion. It includes about \$70 million for deferred maintenance, \$3 million for current years costs due to Correction's nursing shortages, and \$2.5 million for a south Denali visitor center.

The Capital Budget also allows the Gasline Authority to accept \$25 million in private third party funds for ongoing work on a federal review of the project. It passed unanimously and is now in the House.

House Finance moved a bill that would transfer \$8 billion from the earnings reserve to the corpus of the Permanent Fund. The Senate proposed a \$12 billion deposit. These contributions will take money off the table but could yield more profits and larger dividends in the future.

GOVERNOR'S CORNER

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

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

The Governor declared May 11-18, 2019 [Law Enforcement Memorial Week](#). In 1962, President John F. Kennedy signed a proclamation which designated May 15 as Peace Officers Memorial Day and the week in which that date falls as Police Week.

BILLS ON THE MOVE

Headed for Senate Floor

[HJR 19](#) Support the 2020 Census sponsored by Tribal Affairs.

Passed the House

[HB 29](#) Insurance Coverage for Telehealth sponsored by Rep. Spohnholz was referred to SHSS which is where it will be picked up next year.

Passed Both Bodies

[SB 36](#) Extend the Board of Nursing and [SB 37](#) Renewal of Vaccine Assessment Program sponsored by Senator Giessel is awaiting transmittal to the Governor.

Crime Bills

Passed the House

[HB 49](#), the third try to change key provisions of the infamous criminal justice reform bill SB 91, passed the House on a 24-14 vote along party lines. It would increase sentences for some sex and drug offenses, test more sexual assault forensic examination kits and require out of state sex offenders who move to Alaska to register. Cost is estimated at **\$23 million per year**.

Finance Co-Chair Rep. Wilson said that it repeals and replaces the harmful provisions of SB 91. Judiciary Chair Claman said the bill is balanced by increasing penalties but leaving funding for drug offenders to get treatment.

The Governor says it's not tough enough – more work needed. Prognosis uncertain. A brand new CS is under review by Senate Finance.

Passed Both Bodies

[HB 12](#) Protective Orders sponsored by Rep. Kopp and [HB 14](#) Assault; Sex Offenses; Sentencing Aggravator sponsored by Rep. Lincoln both are awaiting transmittal.

~ End of Report ~

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