

*Bradners'*  
**Alaska Legislative Digest**  
*- Commentary on Alaska Issues*

Publishers: Mike Bradner, Tim Bradner (907) 440-6068 / 3037 South Circle Anchorage, AK 99507 / Fax: (907) 345-5683

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## **Mudball politics, and lots of problems ahead**

*gAnalysis, by Mike Bradner*

Mudballs are flying in our statewide federal races, that for our lone U.S. Congress seat and our U.S. Senate race between incumbent U.S. Sen. Dan Sullivan, and challenger Dr. Alan Gross from Juneau. Dr. Gross is hitting Sullivan on his siding with pharmaceutical industry and on medical costs, and generally cuddling with industry. Sullivan is hitting back, hammering Gross as a liberal out of touch with Alaskans. Also, President Trump's attacks that his opponent Joe Biden and his associates are "socialists" is a mudball falling into other levels of Democrat vs. Republican races.

Both Sullivan and Young appear challenged. In 2018, Galvin polled 131,199 to Young's 149,779, a significant margin for Young. But after 2018 Galvin hit the ground running and she has now out-raised Young in money, which is unusual for a challenge to an incumbent, and now polls a few points above Young. In 2018 she beat Young in Southeast Alaska as well as westward rural coastal areas, from Bristol Bay to the Seward Peninsula, and in much of Fairbanks and Anchorage.

### **This race now a close contest but with the incumbent having advantage**

This race has matured into a close contest but with the incumbent always having the edge. Gross has had the backing of the nationwide Lincoln Project, a group of disaffected Republicans, and has hammered Sullivan over a long period in the primary. In the primary race Sullivan had a margin of 15,210 votes over Gross, but Sullivan had no opponents. There were 12,617 votes for candidates other than Gross in the Democratic primary, so total votes cast in the Democratic and Republican primaries had only a 2,593 Republican margin. That means this race is tight. Gross has first-class media and Sullivan has seemed a bit slow with his. If Biden wins the presidency, and either Galvin or Gross win, then Alaska will have good access to a new White House leadership. We will also still have Sen. Lisa Murkowski, a Republican moderate who has good access across the aisle. There is a lot of uncertainty for Alaska in this election. We have two major statewide races that are unpredictable, and there will be effects "down the ballot," into the legislative races.

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### **Down the ballot - the legislative races**

The organization of the House and Senate depends on a handful of races. One is the race between Sen. Josh Revak and independent Andy Holleman in mid-town Anchorage. Revak was appointed to the seat by Gov. Dunleavy, while Holleman is a school board member who petitioned onto the ballot as an independent. This would leave narrow the Senate gap between Democrats and Republicans, and the former coalition members who sit in the middle. In the House, key races are District 25, in midtown Anchorage, where Dunleavy appointee Rep. Mel Gillis (R) faces a strong bid by newcomer Calvin Schrage (D). This district has tipped Republican in the past, but by a narrow margin. Gillis polled 1,288 in the GOP primary, while Schrage polled 1,068. Another Democrat primary candidate, Janice Parks, polled 672. This means 1,700 people voted Democrat compared with 1,576 voters who asked for Republican ballots. The balance between Republican and Democratic votes in this district in 2018 was 281 votes, favoring Republicans. Another district under pressure is that of Rep. Lance Pruitt, in East Anchorage. This is a rematch of 2018 between Liz Snyder and Pruitt, in which which Pruitt won by 181 votes.

A third race up for grabs is District 15 Northeast Anchorage, where Republican Gabrielle LeDoux lost her seat to David Nelson, a Republican. The Democratic primary winner was Lyn Franks. This is an extremely low turnout district, so anything can happen here. Other races now competitive are where the Republican Party conservatives killed off moderate Republican incumbents in the primary election. Those include Rep. Jennifer Johnston, R-Hillside, the Cochair of the House Finance Committee and Rep. Chuck Kopp, (R-South Anchorage) and the House Rules chair.

### **Some attacks on veteran moderates failed**

Other efforts by conservative Republicans to kill off moderate incumbents failed, such as in the races by Sen. Natasha von Imhof, Senate Finance cochair, Kodiak's Sen. Gary Stevens, who was twice Senate president, and Rep. Steve Thompson of Fairbanks, the House Majority Leader. However, conservatives did defeat Republican Senate President Cathy Giessel and Sen. John Coghill, of Fairbanks, both veteran lawmakers. The conservatives' actions against experienced moderates can be seen as a vindictive action that will leave a lot of anger for years. The attacks also removed Republican leadership skills in both House and Senate. That's a concern because the new crop of Republican leaders, likely to be led by Mat-Su legislators, show less leadership skills as well as a lack of financial acumen. Being light on finances is shown by Mat-Su legislators' support for large Permanent Fund Dividends which will reduce funds for the state budget and, over the long term, the value of the Permanent Fund.

## **Federal CARES act money left on the table?**

*Analysis by Tim Bradner*

There may be federal CARES act money for municipalities left on the table and available for redistribution later this year, legislators say. State officials and lawmakers are watching this closely. The goal for all is to avoid having to send unspent money back to the federal government at the end of the year, which the federal law requires. Watch for a request from the administration for a redistribution of unspent funds and a Legislative Budget and Audit Committee meeting later this year to approve it.

*Unspent municipal grant funds will likely be shifted to the small business grant program, which is now oversubscribed, with applications for more money than is available.*

### **Here's where things are:**

As of Sept. 8, \$367 million of the \$568 million in CARES act grants available to municipalities and unincorporated communities has been paid, which leaves \$201 million still to go out. \$100 million of this is available Oct. 1. Local officials will have to file the required paperwork documenting expenses to get this, as they were required to do for a Sept. 1 distribution. This leaves \$101 million from the earlier distributions still in the pipeline, with the state waiting to approve the paperwork.

### **Money left for redistribution?**

There may be snags, and not all claimed expenses may be approved, so there may be municipal grant money left for redistribution, which the Legislative Budget and Audit Committee would do at the state administration's request. No one wants to send any money back. Overall, 95 percent of the \$367 million has been requested and 65 percent has been distributed, Alaska Municipal League said in a presentation Sept. 18.

The push will be to get the paperwork done and approved for the remaining grants. The requirements can be a burden for communities, however, particularly small ones with limited staff. "For a community to receive their second and third payments (after an initial distribution) they must submit their monthly reporting forms to the state and have used/designated at least 80 percent of the previous payment(s)," Glenn Hoskinson, at the Department of Commerce, Community and Economic Development (DCCED) told us. As of Sept. 9, 13 municipalities have completed the paperwork and received their second distributions, AML said. These include Denali Borough; Emmonak; Kotzebue, Unalaska, Soldotna and Kenai.

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## **About 70 communities not signed up yet to receive grants**

Meanwhile, there are about 70 small communities that have not yet signed agreements with the state needed to receive the grants, which means this money is not yet requested, officially. Almost all of these are small and the grant amounts are mostly the minimum \$75,000. But they add up. As of Sept. 8, 42 unincorporated communities, which are typically very small, have not applied yet or have received \$3.1 million. Twenty-eight incorporated communities, which would be larger, have not yet applied for or received funds totaling \$6.9 million. The Division of Community and Regional Affairs, which is a part of the DCCED, “has reached out to every community that has not yet accepted their funds more than three times each to see if they have questions and to ensure they know the funds are available,” Hoskinson said.

## **Over \$5 billion in CARES funding for Alaska**

So far about \$5.6 billion in federal CARES act relief funding has been made available to Alaska. This includes \$1.6 billion to the state including the \$1.25 billion distributed by the state for small business and municipal grants and other purposes. There is money spent through the state outside the \$1.25 billion to get to the \$1.6 billion total. According to a Sept. 24 presentation by the Alaska Municipal League, funds allocated through the state went for health response (\$398 million); nonprofits (\$52.5 million); communities (\$571.4 million); individuals (\$24.1 million); businesses (\$340 million); infrastructure (\$119.8 million) and education (\$97.4 million). CARES act money allocated directly in Alaska (not through the state) includes \$1.19 billion for tribes; \$891.4 million for individuals (the federal income tax payments), and \$1.3 billion for businesses (the PPP and SBA disaster relief loans and grants).

## **Education: As we go forward, what schools need is ADM Stability**

A big issue for schools in the 2021 legislature session may be ADM (funding formula) stability. Districts have funding in place for this year based on their historic ADM (*average daily membership*). This allocated money is subject to actual student counts in October. However, the COVID-19 has affected schools and created low student counts. This means less money. However, school districts are left with the cost of their existing facilities and staff under contract. One proposal is to simply use the ADM in place for the current year. As schools get back in business there are no disasters so far. District school boards, superintendents, the Department of Education and the respective school associations did their jobs. Now the burden is on principals, students, and parents and teachers.

- *More in future Digests*