

2016 CAPITOL CURRENTS

29th Alaska State Legislature ~ 2nd Interim

Fourteenth Edition – 5/9 to 10/1/16

October 25th, 2016

~ *Legislative Wrap up since the end of the First Session* ~

HIGHLIGHTS

The extended session finally adjourned Sine Die on May 18th – the 121st day.

The governor immediately called them back into a 4th special session beginning May 23rd in Juneau. With 11 bills to consider, it was very large agenda for a special session.

The House adjourned Sine Die on the 5th day of the 5th special session (July 18th). They didn't have the votes to override the governor's budget vetoes. The Senate followed suit three days later without any action.

They logged 158 days this year, and total of 156 days for the first session. The 29th Alaska Legislature will go down in history as the lengthiest since statehood.

With over 300 days of **exhaustive** meetings, the House and Senate really didn't come any closer to finding a long-term solution to our fiscal crises. And the fiscal clock keeps on ticking.

During this very brief special session a couple of reports were released.

The Legislative Finance Division provided a new summary of the state's financial situation - **Website link is below.**

<http://www.legfin.akleg.gov/InformationalPapers/17-1AlaskaRevenueAndExpendituresFY07-FY17.pdf>

Governor Walker also released his own report that summarizes the effects of the legislature passing only the **SB/HB 5001-Permanent Fund bill** as one step to resolve the budget deficit and the effects of passing no new revenue measures. **The link is below.**

<http://gov.alaska.gov/newsroom/2016/07/walker-mallott-administration-releases-effects-of-legislatures-no-action-plan/>

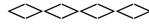
After the dust settled on the state primary elections, several incumbents lost their seats. On the House side, voters ousted Democrats Bob Herron and Ben Nageak. In addition, five Republicans were soundly beaten. The House members not coming back are: Jim Colver, Lynn Gattis, Craig Johnson, Wes Keller, and Bob Lynn.

Mike Hawker and Kurt Olson didn't run again. Shelly Hughes is in a Senate race. At least four new people will be elected to the Senate as four of those members decided to not run again.

Via the grapevine, up to three more House races could flip to the Democrats or a third party candidate. If that happens, a Democratic led majority is possible in the House for the 30th Alaska State Legislature.

To review those primary race stats, go to: <http://www.elections.alaska.gov/results/16PRIM/>

General Election information can be found at: http://www.elections.alaska.gov/ei_general.php
November 8th will be here before we know it.



SIGNED LEGISLATION

BUDGET

A total of \$1.26 billion was cut from the operating budget alone. For example, the Governor cut a total of \$58 million from the Education budget that included extra money for the K-12 Foundation Funding, K-12 Pupil Transportation, and School Debt Reimbursement.

He also cut the appropriation for the 2016 PFD to cap it at \$1,000.

In addition, the Parents as Teachers program was cut \$200,000 with \$500,000 remaining, and Online with Libraries (OWL) was cut \$100,000 to \$661,000.

With the governor's action, he also postponed funding for eight state funded road projects; and halted two of the "mega projects:" Susitna/Watana Dam and the Knik Arm Bridge.

For a complete list of the vetoes you can go to the following website:

http://gov.alaska.gov/wp-content/uploads/sites/5/20160629_veto-view-sheet-updated.pdf

EDUCATION

HB 156 – School Accountability Measures and Restricting Sex Education. This bill eases the procurement requirements for statewide testing and will work to eventually replace the current Alaska Measures of Progress (AMP). It provides for increased local control and reduces unfunded and unnecessary mandates. This legislation also included a very controversial and last minute rider restricting sex education in the classroom. After weighing all sides, the **governor reluctantly (??)** allowed this bill to become law without his signature. Read more at:

<http://gov.alaska.gov/newsroom/2016/07/governor-walkers-position-on-hb-156/>

HEALTH & SOCIAL SERVICES

SB 165 has been signed. It makes several statutory updates to improve public health and safety in Alaska. The bill addresses multiple issues, including consumption of alcohol by minors, changes to the Alcoholic Beverage Control Board, and background checks for potential marijuana businesses.

HB 200 streamlines legal proceedings for the adoption process involving children in foster care and considered "Children in need of Aid" (CINA). This bill seeks to clarify and strengthen Alaska's compliance with the Indian Child Welfare Act (ICWA). ICWA sets federal requirements that apply to state child custody proceedings involving an Indian child who is a member of or eligible for membership in a federally recognized tribe.

SB 74 was signed making way for significant financial savings to the state and expansion of health care services offered to Medicaid recipients in Alaska.

HB 27, which offers a number of strategies to improve the child welfare system and provide for expanded independent living opportunities for older youth transitioning to adulthood, has been

signed. In addition, it attempts to ensure they receive a good education and better prepare foster children who ‘age out’ of the system to transition to independence.

HB 374 recognizes that Alaskans should not have to pay more in health insurance premiums. It will allow high-risk individual health insurance policies to be reinsured under the existing Alaska Comprehensive Health Insurance Association. The hope is that premium increases should be lower than anticipated next year. The bill also authorizes the Division of Insurance to apply for an “innovation waiver” exempting Alaska from the Affordable Care Act (ACA).

HB 234 requires insurers offering mental health benefits to reimburse patients for telemedicine services that are provided by a healthcare professional licensed in Alaska. This reform measure will increase access to healthcare across the state, and create a venue for Alaskans to utilize cost-effective, properly regulated healthcare services through state-of-the-art technology.

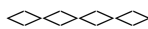
PUBLIC SAFETY

The governor signed **SB 91**, an historic reform of the state’s criminal justice system. The law advances data-driven, research-based policies to reduce recidivism, enhance public safety and curb corrections spending. It is projected to reduce the state’s prison population by 13 percent by 2024, saving the state \$380 million.

Another bill signed in July was **HB 75** – the regulation of marijuana by municipalities. An opt-in provision was finally agreed upon as a compromise. These new sections are for unincorporated communities, Native villages and the unorganized borough.

However, organized cities should review all the provisions of this new law to see how it might affect them. This legislation also attempts to further define and clarify provisions of the original marijuana ballot measure and provide additional processes for implementing AS 17.38 at the municipal level.

The Governor finally signed in mid October **HB 147 - Animals Protection Bill**. This bill, accomplishes three things: it holds an owner responsible for the reasonable third-party costs of caring for animals lawfully seized due to cruelty or neglect; it provides statutory protection for animals in protective orders, permits granting exclusive temporary custody of the animal to the victim; and permits consideration of the well-being of animals when deciding their ownership in divorce and dissolution proceedings.



GOVERNOR'S CORNER

<http://gov.alaska.gov>

The governor’s office will continue to post press releases and other items of interest at the website above. This link will also provide greater details for the stories below.

This summer has seen many changes to the governor’s cabinet. Attorney General Craig Richards stepped down to focus more on his family. Jahna Lindemuth has since been appointed as the new AG for the state.

Dr. Michael Johnson officially took over his duties as commissioner of the Dept. of Education on July 1st. Dr. Susan McCauley had been serving as interim commissioner.

The governor appointed Andy Mack as the new commissioner of Natural Resources. He fills the vacancy left by Mark Myers who retired. Marty Rutherford had been acting commissioner until her own retirement. She has now been appointed to the Permanent Fund Corp. Board of Trustees.

He also appointed Sheldon Fisher to the Alaska Permanent Fund Corp. Board of Trustees. Mr. Fisher fills a seat reserved for one of the governor's cabinet members. He is the Commissioner of the Dept. of Administration.

The governor also created a new cabinet-level position by appointing John Hendrix as his chief oil and gas advisor.

He recently appointed Susan M. Carney of Fairbanks to the Alaska Supreme Court. Ms. Carney will replace Justice Dana Fabe, who is retiring after serving more than 20 years on the Court.

Lastly, the governor appointed Nicholas Miller to the Marijuana Control Board.

~ End of Report ~

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