

2016 CAPITOL CURRENTS

29th Alaska State Legislature ~ 2nd Session

First Edition – 1/19 to 1/31/16

77 days to go

~ *Budget, budget, budget – Medicaid also on the table* ~

HIGHLIGHTS

Besides all of the budget and tax issues before the Legislature this year, several Medicaid bills have been introduced.

The first day of session saw oil prices continue their months long sell-off, with the price of a barrel of crude oil at the lowest level since May 2003. Oil futures settled at \$26.55 a barrel. Prices looked a bit better last week.

Standard & Poor's (S&P) lowered Alaska's bond rating. The Governor placed restrictions on state travel and hiring.

A state senator has called for the attorney general to investigate the high gasoline prices in Alaska

Several groups including the administration have been delivering the message that Alaska faces dire consequences if the Legislature doesn't act this year to deal with the budget shortfall.

Education funding is the largest driver in the state budget at about \$1.4 billion.

The Division of Elections partnered with the PFD Division to provide a link so you can register to vote after you finish your 2016 PFD application.

The state's individual health insurance marketplace became smaller this past week, as the Alaska Division of Insurance announced it would remove *Moda Health* from the current list of individual health care options in the state. Moda has some serious financial problems.

The governor authorized the release of videos connected to the deaths of four inmates in the custody of the Department of Corrections.

The Council on Domestic Violence & Sexual Assault hosted a delegation from Mongolia, as part of an official visit by the Mongolian National Center Against Violence.

The Alaska Women's Lobby, the YWCA, and House/Senate Democrats held a press conference this past week to promote equal pay. On average, an Alaska woman earns 67 cents for every dollar a man makes in a like job. Legislation has been filed to address this situation.

January was Human Trafficking Awareness Month!

BUDGET ISSUE

By now, you've probably heard of the governor's proposed Alaska Permanent Fund Protection Act. Some folks refer to it as a sovereign wealth fund concept.

This model would essentially combine other state savings accounts with the Permanent Fund and transform them into an investment fund, providing an annual payout to the legislature for appropriation in the billions.

The governor's FY 2017 budget calls for about \$100 million in cuts to government. Senate Finance wants to cut \$500-\$700 million.

CONSTITUTIONAL ISSUES

A resolution to amend the Alaska Constitution was introduced this year that would limit state legislative sessions to 90 days.

And, a bill would allow the Alaska Legislature to hold a 120-day regular session.

Another resolution calls for a federal constitutional convention to enact term limits for members of Congress.

A major priority this session will be getting a constitutional amendment on "fiscal certainty" for a gas project to the voters in time for the next general election.

EDUCATION ISSUES

The governor's proposed budget avoids cuts to K-12 education, preserving the small increase in the "base student allocation" (BSA) for public schools.

However, another line item eliminates funds (\$2 million) for early-childhood education. As parents and educators tell us, those first five years of development are critical for cognitive, social, and behavioral development in a child. This translates to being better prepared and successful in school and life in general.

The Alaska Supreme Court has ruled against the Ketchikan Gateway Borough in its education-funding lawsuit against the State of Alaska. The Court validated the state's claim that organized municipalities are required to pay into their school districts.

Previously, a Ketchikan Superior Court judge invalidated the state's requirement that local municipalities help pay for education. The judge had ruled the contribution is a dedicated fund, violating a state constitutional provision that no state tax or license will be earmarked for any special purpose.

Statewide, municipalities pay \$220 million annually to local school districts. Regional education attendance areas in unincorporated Alaska are fully funded by the state.

HEALTH & SOCIAL SERVICES ISSUES

A Senate "Task Force" will be conducting hearings about Medicaid this session. Look for them under the heading of "MEDICAID REFORM Finance Subcommittee." SB 74 and SB 78 will be the primary focus of these discussions.

Behavioral health providers are concerned about the impact of a potential \$7 million reduction in grants to services affecting mental health counseling and alcohol and drug abuse treatment.

Senator Gardner has proposed legislation (SB 156) to improve access to birth control. The bill will also authorize pharmacists to fill a prescription for oral contraceptives for one year versus the usual three-month allowance.

SB 23 (A Bill on the Move) is aimed at providing better access to life saving opioid overdose drugs such as naloxone. Watch for a new version that will establish standards for independent dispensing by pharmacists.

The House HSS Committee met and heard presentations from the Statewide Suicide Prevention Council and the Health Information Exchange.

Marijuana regulations have been signed into law. The FBI needs state statutory authority for federal background checks.

To address concerns over the strength of certain products, the Marijuana Control Board has established edible, single-serving sizes be limited to 5mg of THC. In addition, all retail stores will be required to put merchandise in childproof containers before they leave the store.

House Bill 221 was heard in Judiciary. This is the Tribal Court Protective Orders' legislation to bring our statutes into compliance with the Violence Against Women Act (VAWA).

The U.S. Center for Disease Control (CDC) has launched a new pre-diabetes awareness campaign and website – www.DoiHavePrediabetes.org

PUBLIC SAFETY ISSUES

Alaska Criminal Justice Commission Chairman Greg Razo has detailed many measures to increase treatment and reentry programs to reduce recidivism rates and prison costs. Watch it at: <http://www.360north.org/gavel/video/?clientID=2147483647&eventID=2016011066>

Is this worth considering? A smart watch app that activates a firearm for the owner – only! The technology exists to prevent a handgun from being fired by an unauthorized user.

NATURAL RESOURCES

“Cost is everything.” So says ExxonMobil’s senior project manager Steve Butt, recapping the progress made over the last year with Alaska LNG (Gasline). The \$45 billion to \$65 billion project will transport liquefied natural gas from the North Slope to the Cook Inlet.

Under the governor’s Sustainable Alaska Plan, half of the state’s share of our natural resource royalties will be factored into the PF Dividend.

Finally, BP Alaska is cutting their workforce by 13% due to tanking oil prices.

GOVERNOR'S CORNER

<http://gov.alaska.gov>

Governor Walker gave his State of the State address on January 21st.

For the full text and a video of the address, you can click on – <http://gov.alaska.gov/Walker/press-room/full-press-release.html?pr=7359>

Read all about the governor’s new Alaska Sustainable Plan at:

<http://gov.alaska.gov/Walker/priorities/new-sustainable-alaska-plan.html>

The governor has appointed Dean Williams as the new commissioner of Dept. of Corrections. He was the special assistant who conducted an administrative review of the department and identified key areas for improvement.

Lt. Governor Byron Mallott signed Alaska's first commercial marijuana regulations, but now the Legislature needs to pass a law that gives the FBI permission to perform background checks on prospective marijuana entrepreneurs.

The New Year has also seen changes for the Division of Elections as hundreds of Alaskans are taking advantage of a new online voter registration.

The system is at www.voteregistration.alaska.gov

Governor issued: EXECUTIVE ORDER NO. 117 - Transferring administration of the Statewide Independent Living Council from the Dept. of Labor and Workforce Development to the Dept. of Health and Social Services.

The first lady, Donna Walker gave a stirring speech at a gathering to remember Martin Luther King.

After the recent earthquake, here are a couple of contacts to have handy. The State Emergency Operations Center can be reached at 907-428-7100 or visit www.ready.alaska.gov

[**Alaska 2-1-1**] Free, confidential hotline to connect Alaskans with a health and social services provider. Contact them by dialing 2-1-1 or [1-800-478-2221](tel:1-800-478-2221), or online at alaska211.org.

IMPORTANT DATES

15th Legislative Day (Feb. 2nd) Deadline for Governor's FY16 Supplemental budget requests.

30th Legislative Day (Feb. 17th) Deadline for Governor's Amendments to the FY17 Budget.

Closeouts Deadline for House Finance Subcommittees is normally late February.

Feb. 10th – Chief Justice Craig Stowers of the Alaska Supreme Court will give the State of the Judiciary Address before the Legislature.

Feb. 17th – Senator Lisa Murkowski will give her Annual Address before the Legislature.

Feb. 29th – Senator Dan Sullivan will give his Annual Address before the Legislature.

Alaska Permanent Fund Dividend (Deadline: March 31, 2016) Apply online at: pfd.alaska.gov

Energy Council Meeting - The Energy Council meetings in Washington, DC are scheduled this year from March 3rd through March 6, 2016. Floor sessions, committee hearings, and other legislative business will continue as usual during this timeframe.

NEW DOCUMENTS

~ Reports below are on file with both the House Clerk and Senate Secretary ~

1. Dept. of Health & Social Services Div. of AK Pioneer Homes Audit Report -May 21, 2015
2. Dept. of HSS Services Performance Review - September 28, 2015
3. Dept. of HSS Services Behavioral Health Performance Review - September 29, 2015
4. Dept. of HSS Services Long Term Care Performance Review - October 1, 2015
5. Dept. of HSS Recommended Medicaid Redesign & Expansion Strategies for Alaska Final Report -Available at: www.dhss.alaska.gov/HealthyAlaska/Pages/Medicaid_Redesign.aspx

NEW BILLS OF INTEREST

<http://www.akleg.gov>

BUGET ISSUES:

FY 17 BUDGET BILLS

HB 255 / SB 138 – Capital Budgets

HB 256 / SB 139 – Operating Budgets

HB 257 / SB 140 – Mental Health Budgets

Pending / Due by Day 15 (Feb. 2nd) – Supplemental Budgets

HB 222 / Rep. Hawker – Increase of Appropriation Item (could be applied to Medicaid program)

HB 224 / Rep. Hawker – State Planning and Budget; Permanent Fund; PFD

HB 245 / SB 128 Governor – Permanent Fund; Deposits; PFD; Earnings

HB 250 / SB 134 Governor – Establish a new Alaska Net Income Tax

CONSTITUTIONAL ISSUES:

HB 236 / Rep. Talerico / SB 120 Sen. Micciche – Right to Refuse to Solemnize Marriage

SB 153 / Sen. Gardner – Wage Discrimination Based on Gender

HB 223 / Rep. Kito – Duration of the Regular Session of the Legislature

HJR 27 / Rep. Claman – Constitutional Amendment: Legis Adjournment 90 days after Convening

HJR 29 / Rep. Keller - Calls for federal constitutional convention to enact term limits for members of Congress.

EDUCATION ISSUES:

HB 260 / SB 145 Governor – Day Care Assistance and Child Care Grants

EMPLOYEE ISSUES:

HB 263 / SB 148 Governor – Employer Report of Workplace Injury or Death

HEALTH CARE ISSUES:

HB 215 / Rep. Kawasaki – New Drugs for the Terminally Ill

HB 219 / Rep. Hawker – Medical Assistance Expansion and Audit

HB 227 / Rep. Seaton – Medical Assistance Reform

HB 237 / Rep. Seaton / HB 238 Rep. Wool – Interstate Medical Licensure Compact

HB 262 / SB 147 Governor – Senior Benefits Program Eligibility

HB 270 / SB 151 Governor – DHSS Central Registry; Licensing; Background Check

HB 278 / Rep. Gattis – Medical Treatment without Physical Examination

SB 156 / Sen. Gardner – Insurance Coverage for Contraceptives

SB 162 / Sen. Gardner – Termination of Parental Rights

PUBLIC SAFETY ISSUES:

HB 221 / Rep. Edgmon – Enforcement of Foreign Protective Orders

HB 269 / SB 150 Governor – Adds Commissioner of MVA as member of the CDVSA

BILLS ON THE MOVE

~ Below are pertinent bills that had hearings or other action this past week ~

SENATE COMMITTEE OR FLOOR ACTION

SB 74 / Medicaid Reform/PFD/HSAS/ER Use/Studies

http://www.akleg.gov/basis/get_complete_bill.asp?session=29&bill=SB744

Version 29-LS0692\F was heard and held in Senate Finance on 1/27.

SB 78 / Medicaid Expansion/Reform

http://www.akleg.gov/basis/get_complete_bill.asp?session=29&bill=SB78

Version 29-GS1055\A was heard and held in Senate Finance on 1/27.

SB 98 / Prescription Without Physical Examination

http://www.akleg.gov/basis/get_complete_bill.asp?session=29&bill=SB998

Version 29-LS0838\A was heard and held in House HSS on 1/27.

HOUSE COMMITTEE OR FLOOR ACTION

HB 221 / Enforcement of Foreign Protective Orders

http://www.legis.state.ak.us/basis/get_complete_bill.asp?session=29&bill=HB221

Version 29-LS1041\W was heard and held in House Judiciary on 1/29.

HB 237 / Interstate Medical Licensure Compact

http://www.legis.state.ak.us/basis/get_complete_bill.asp?session=29&bill=HB237

Version 29-LS1100\A was heard and held in House HSS on 1/28

HB 260 / Day Care Assistance and Child Care Grants

http://www.legis.state.ak.us/basis/get_complete_bill.asp?session=29&bill=HB260

Version 29-GH 2769\A was heard and held in House HSS on 1/28. Next scheduled for 2/4.

SB 9 / Election Pamphlets

http://www.legis.state.ak.us/basis/get_complete_bill.asp?session=29&bill=SB9

Version 29-LS0244\A was heard and held in House State Affairs on 1/26. Next scheduled for 2/2.

SB 23 / Immunity for Providing Opioid OD Drug

http://www.akleg.gov/basis/get_complete_bill.asp?session=29&bill=SB23

Version 29-LS0058\E is in House HSS and scheduled for 2/4.

SB 53 / Advanced Practice Registered Nurses

http://www.legis.state.ak.us/basis/get_complete_bill.asp?session=29&bill=SB53

Version 29-LS0043\P heard and moved from House L&C on 1/27, Finance added.

COMMITTEE HEARINGS

MONDAY – Feb 1st

(HOUSE) EDUCATION Committee

8:00 AM Capitol Room 106

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HB 102 / Funding for Residential Psychiatric Treatment Centers

HB 157 / Language Immersion Charter Schools and Teacher Certifications

(HOUSE) HSS Finance Subcommittee
8:30 AM H. Finance Room 519

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Office of Children's Services

(SENATE) FINANCE Committee
9:00 AM S. Finance Room 532

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Presentation: FY16 Unallocated and Position Reductions
- **Pat Pitney, Director, OMB**

(HOUSE) FINANCE Committee
1:30 PM H. Finance Room 519

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HB 256 / Operating Budget
HB 257 / Mental Health Budget
HB 255 / Capital Budget

FY17 Budget Overviews:
- **Judiciary**

(SENATE) HSS Committee
1:30 PM Butrovich Room 205

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SB 124 / Extend Sunset Alaska Commission on Aging
SB 151 / DHSS Centralized Registry, Licensing, Background Checks
SB 72 / Designated Caregivers for Patients
SB 145 / Day Care Assistance and Child Care Grants
SB 147 / Senior Benefits Program Eligibility

(SENATE) MEDICAID REFORM Finance Subcommittee
1:30 PM Senate Finance Room 532

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SB 74 / Medicaid Reform/PFD/HSAS/ER Use/Studies
SB 78 / Medical Assistance Coverage; Reform
- **Valerie Davidson, Commissioner, DHSS**

TUESDAY – Feb. 2nd

(HOUSE) STATE AFFAIRS Committee
8:00 AM Capitol Room 106

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SB 9 / Election Pamphlets

(SENATE) Public Safety Finance Subcommittee
8:00 AM Barnes Room 124

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Budget Overview

(SENATE) FINANCE Committee
9:00 AM S. Finance Room 532

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Presentation: New Sustainable Alaska Plan

- **Pat Pitney, Director, OMB**
- **Randal Hoffbeck, Commissioner, Dept. of Revenue**

(HOUSE) FINANCE Committee
 1:30 PM H. Finance Room 519

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HB 245 / Permanent Fund: Deposits; Dividend; Earnings

(HOUSE) HSS Committee
 3:00 PM Capitol Room 106

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HB 227 / Medical Assistance Reform <Testimony – Invitation Only>

(HOUSE) Education Finance Subcommittee
 6:00 PM Capitol Barnes Room 124

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Department Budget Overview

WEDNESDAY – Feb. 3rd

(HOUSE) HSS Finance Subcommittee
 8:30 AM H. Finance Room 519

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Office of Children’s Services

(SENATE) FINANCE Committee
 9:00 AM S. Finance Room 532

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Presentation: New Sustainable Alaska Plan

- **Pat Pitney, Director, OMB**
- **Randal Hoffbeck, Commissioner, Dept. of Revenue**

(SENATE) JUDICIARY Committee
 1:30 PM Beltz Room 105 (TSBldg)

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SCR 4 / US Countermand Convention Delegates
SJR 15 / Call for US Countermand Convention

(SENATE) MEDICAID REFORM Finance Subcommittee
 1:30 PM Senate Finance Room 532

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SB 74 / Medicaid Reform/PFD/HSAS/ER Use/Studies
SB 78 / Medical Assistance Coverage; Reform

Presentation: Assessment of Medicaid Expansion and Reform

- **Joel Menges, CEO, Menges Group**
- **Emily Ricci, Consultant**

THURSDAY – Feb. 4th

(SENATE) LABOR & COMMERCE Committee
1:30 AM Beltz Room 105 (TSBldg)

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SB 104 / Person with Disability Savings Accounts
SB 141 / E-Cigs: Sale to and Possession of Minor
SB 142 / Insurance for Anti-Cancer Medication

(HOUSE) FINANCE Committee
1:30 PM H. Finance Room 519

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Governor’s FY16 Supplemental <Pending Introduction and Referral>
- **Pat Pitney, Director, OMB**

HB 256 / Operating Budget
HB 257 / Mental Health Budget
HB 255 / Capital Budget

(HOUSE) HSS Committee
3:00 PM Capitol Room 106

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HB 260 / Day Care Assistance and Child Care Grants <Testimony – Invitation Only>
SB 23 / Immunity for Providing Opioid OD Drug <Testimony – Invitation Only>

(HOUSE) Public Safety Finance Subcommittee
5 :00 PM Capitol Room 120

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CDVSA Overview <Testimony – Invitation Only>

FRIDAY – Feb. 5th

(SENATE) MEDICAID REFORM Finance Subcommittee
1:30 PM Senate Finance Room 532

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SB 74 / Medicaid Reform/PFD/HSAS/ER Use/Studies
SB 78 / Medical Assistance Coverage; Reform
Presentation: Recommended Medicaid Redesign and Expansion Strategies for Alaska
- **Thea Agnew Bemben, Agnew:Beck**
- **Nora Leibowitz, Health Management Associates**
- **Susan Pantely, Milliman Inc.**
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WAYS TO FOLLOW HEARINGS

Website – Daily Committee Hearings

For: Feb. 1 – Feb. 7, 2016

http://www.legis.state.ak.us/basis/get_hearing.asp?session=29&Chamb=B&Date1=02%2F01%2F2016&Date2=02%2F07%2F2016&Comty=&Root=&Sel=1&Button=Display

Live on the Web [www.360north.org]

Streaming Video

<https://vimeo.com/akltv> or <http://alaskalegislature.tv>

Testifying

The toll-free number can only be used if you have had prior approval to call in from the appropriate committee chair. The toll free number in Alaska: 1-855-463-5009. In Juneau: (907) 463-5009.

WEBSITES OF INTEREST

2016 List of Legislators with quick contact information

<http://akleg.gov/docs/pdf/whoswho.pdf>

2015 1st Session List of Legislators and staff (Will be updated soon)

<http://akleg.gov/docs/pdf/whoswho2015.pdf>

2016 House / Senate – Standing and Special Committees

<http://akleg.gov/docs/pdf/commlist.pdf>

2016 House / Senate – Finance Sub-committee Members

<http://akleg.gov/docs/pdf/HFINSubcmte.pdf>

<http://akleg.gov/docs/pdf/SFINSubcmte.pdf>

~ End of Report ~

Contact: Caren Robinson (Carenr@gci.net)