

# 2016 CAPITOL CURRENTS

29<sup>th</sup> Alaska State Legislature ~ 2<sup>nd</sup> Session

Fifth Edition – 2/22 to 2/28/16

49 days to go

## Annual Address by U.S. Senator Dan Sullivan Tomorrow

### HIGHLIGHTS

Family members of the late Rep. Max Gruenberg say the Legislature is preventing them from sorting through Gruenberg's electronic files following his sudden death earlier this month.

In the latest news, his office locks were changed denying access to staffers as well. Apparently, standard procedure.

Meanwhile, Governor Walker will choose a replacement from a list of three names submitted by Democratic leaders from Gruenberg's East Anchorage district.

The names submitted were: Kendra Kloster, Ivy Spohnholz, and Taylor Brelsford.

There were some replacements on various House committees this past week also as a result of Rep. Gruenberg's passing.

The following legislators replaced Max:

- Committee on Committees – Rep. Les Gara
- Judiciary Committee – Rep. Chris Tuck
- State Affairs Committee – Rep. Sam Kito
- House Special Committee of Military & Veterans' Affairs – Rep. Harriet Drummond

Legislative Council chair Senator Gary Stevens directed the Legislative Affairs Agency to hire a third-party for an independent analysis of dueling financial conclusions about whether the Legislature should stay in the Anchorage Legislative Information Office building.

They hired San Francisco based *Navigant Consulting* under a contract capped at \$35,000.

Deputy education commissioner Les Morse announced he'd retire effective March 1<sup>st</sup>.

Alaska Democrats are suing the state after Lt. Gov. Byron Mallott denied the party's request to allow candidates not affiliated with a political party to run in the Democratic primary.

### ~ *Schedule for Public Testimony on FY17 Operating Budget* ~

The schedule below has been announced for public testimony on the fiscal year 2017 statewide operating and mental health budgets. [HB 256 / HB 257]

All of the House finance subcommittee closeouts were done by Feb. 26, 2016.

Timelines for the public to have their say on this budget are as follows.

**NOTE:** This won't be your last time to comment as the Senate typically takes public testimony later in March.

**Monday – Feb. 29<sup>th</sup>** / Juneau from 4:00 – 6:00 p.m.

**Tuesday – March 1<sup>st</sup>**

1 p.m. to 3:30 p.m. – Homer, Kenai, Ketchikan, Kodiak, Mat-Su & Seward

3:45 p.m. to 6 p.m. – Barrow, Dillingham & Fairbanks

6:15 p.m. to 7:30 p.m. – Off Net sites

**Wednesday – March 2<sup>nd</sup>**

1 p.m. to 4:30 p.m. – Anchorage

4:45 p.m. to 6:45 p.m. – Sitka, Petersburg, Delta Junction, Unalaska, Glennallen & Tok

7 p.m. to 8 p.m. – Off Net sites

**Thursday – March 3<sup>rd</sup>**

1 p.m. to 4 p.m. – Bethel, Cordova, Kotzebue, Nome, Valdez, Wrangell

4:15 to 6 p.m. – Off Net sites

**Off Net sites** are those communities without a Legislative Information Office.

Call 907-465-4648 before 5 p.m. any day to get the toll free call-in number.

In the event you cannot stay on the line, submit your written testimony to [lhscfin@akleg.gov](mailto:lhscfin@akleg.gov), which will be forwarded to the Finance Committee.

Budget information, including subcommittee documents is available at the following website – <http://www.legfin.akleg.gov/BudgetReports/LY2016/Operating/SelectBudget.php>

## **BUDGET ISSUES**

The House Finance Subcommittee for the Department of Health & Social Services closed out the FY 2017 operating budget on Friday.

The overall recommended decrease in unrestricted general funds (UGF) is \$89.5 million, or a 7.7% reduction compared to the current year budget.

Governor Walker's proposed a decrease of \$42.8 million in UGF.

### **Notable highlights:**

\* After the governor's amended budget restored all the money for Best Beginnings, Parents as Teachers and Pre-K Education grants, the final House report cut them all again.

\* Reduced another \$3 million in Behavioral Health Treatment & Recovery Grants, for a total reduction \$8.8 million, or nearly 13% compared to FY 2016.

\* Approved an amendment to remove \$3 million in Public Health Nursing spread out around the state. This cut means a reduction of 16.3% compared to FY 2016.

\* Reduced the Public Assistance budget by removing \$5 million in Alaska Temporary Assistance payments and \$5.1 million in the Seniors Benefits Program.

\* Cut another \$13.3 million in Health Care Medicaid Services in anticipation of savings from possible CMS policy changes.

\* A reduction of \$5 million in total funds for the Adult Preventative Dental Medicaid Services.

\* An amendment cut \$282,200 from Public Health - Chronic Disease Prevention & Health Promotion, reducing staffing by 33%.

\* Another amendment cut \$306,100 from Public Health - Health Planning and System Development, reducing staffing by 33%.

More than 5,000 low-income seniors will see substantial reductions to their state-funded benefits starting March 1, when cuts made **last legislative session** to public assistance programs take effect.

According to a fact sheet put out last week, benefits for the 5,348 participants in the Alaska Senior Benefits Payment program will drop from \$125 a month to \$47. The reason - more people in need and fewer resources to go around.

A North Pole legislator has proposed budget cuts that could mean the loss of 600 to 1,000 direct university jobs across the state and hundreds of indirect jobs.

New oil fields are helping to slow Alaska's long-running production decline, and they're paying the state a royalty share of the oil produced.

But, according to a recent analysis of the state tax system, they currently pay no production taxes. That's because so-called "new oil" - from fields that began producing in 2008 - received the most generous tax breaks during the fight over the oil-tax overhaul approved in 2013.

About 50,000 barrels of "new oil" are produced daily — amounting to about 9 percent of recent oil production. And, the proportion of new oil could grow in the next two years if planned projects are completed, giving it an even larger share of overall production.

At today's low oil price, around \$30 a barrel, that oil pays no production tax. And it won't pay one unless North Slope oil sells for about \$73, according to a letter released Thursday from the state's tax division.

## **EDUCATION ISSUES**

**SB 89** – Senate lawmakers considered and approved the bill this past week (subject to a reconsideration vote), barring school districts from contracting with abortion services providers or allowing them to offer materials or provide instruction on human sexuality or sexually transmitted diseases.

The language is part of a broader bill from Sen. Mike Dunleavy that calls for local school boards to adopt policies promoting parental involvement in a district's education program.

Among other things, the policies would have to include procedures allowing a parent to object to and withdraw a child from a state-required test or from activities or programs due to concerns about content involving sexual matters or privacy.

A legislative attorney raised questions about the constitutionality of some provisions. Planned Parenthood said the organization's education programs are regularly targeted around the U.S., "but rarely in such a blatant and discriminatory way."

The language is part of a broader bill from Wasilla Republican Sen. Mike Dunleavy that calls for local school boards to adopt policies promoting parental involvement in a district's education program.

## **HEALTH & SOCIAL SERVICES ISSUES**

A decades-old battle inside Alaska's eye care industry between the state's optometrists and ophthalmologists has flared up again.

Optometrists say the bill would bring outdated state laws in line with advances in technology and training in their field. The ophthalmologists say the measure, **SB 55**, amounts to a dangerous expansion in the scope of work that optometrists are allowed to perform.

**SB 74** has seen more focus in the past month. Here in a very brief synopsis are some of the bill's wide-ranging components to modernize Alaska's public Medicaid health care program.

This proposal has been hashed out over a multitude of hearings.

- Enhancements to the state's powers to combat Medicaid fraud.
- Better data collection and stricter rules regarding the distribution of prescription drugs.
- A new reform program to provide more efficient care for Medicaid recipients. It must include 11 different pieces, like extra payments for successful health care providers, and penalties for failures like infections acquired in hospitals.
- A management system to push Medicaid patients to visit day-to-day health care providers instead of making expensive hospital emergency room visits.
- A feasibility study for privatizing the Alaska Pioneer Home system.

A new study from the Alaska section of epidemiology indicates the number of newborn babies suffering from drug withdrawal is on the rise, particularly in Anchorage and Southeast Alaska.

The Senate HSS Committee heard and held **SB 156**. It would require health insurance companies to pay claims at one time for up to a year's supply of prescription contraception.

Sen. Berta Gardner told the Senate HSS Committee she wants to make it more convenient for women to get contraceptives, particularly in rural areas. She said it could help reduce unintended pregnancies.

## **PUBLIC SAFETY ISSUES**

The governor signed **HB 11**. This bill directs the Alaska Court System not to publish court records on a website known as **CourtView**, of criminal cases if the defendant was acquitted of all charges or the case was dismissed. The bill becomes law on October 1, 2016.

In 2015, more women in Alaska than years prior entered adulthood without a traumatic sexual assault lingering in their past. A survey funded by Alaska's Council on Domestic Violence and Sexual Assault showed that in five years, violence against women decreased by 8.3 percent.

The 2015 survey revealed 58.6 percent of women statewide were victims of some form of violence.

An Alaska lawmaker trying to put a dent in the state's rising prison population (**SB 89**) is having trouble with a victim rights' organization and the state's largest police department.

In response to concerns, the bill's sponsor reversed course on provisions of a criminal justice code revision aimed at keeping minor-level offenders out of jail and incentivizing criminals with reduced probation time for good behavior.

## **GOVERNOR'S CORNER**

<http://gov.alaska.gov>

Alaska Division of Elections has approved a ballot initiative for the August 16<sup>th</sup> primary election. The division certified that the PFD Voter Registration initiative had received enough signatures to appear on the ballot.

The initiative proposes allowing Alaskans to register to vote or update their voter registration through a simple Web form that appears alongside the annual Permanent Fund Dividend application online.

## **NEW BILLS OF INTEREST**

<http://www.akleg.gov>

### **BUGET ISSUES:**

HB 338/Rep. Seaton – Municipal Property Tax Exemptions

### **ELECTION ISSUES**

HJR 31/Rep. Tarr – Congress: Overturn Citizens United V. FEC

### **EMPLOYEE ISSUES**

HB 325/Rep. Keller – Religious Freedom: License, Boards, Officers

HB 368/Rep. Hughes – RIP Public Employees and Teachers/E-Reports

### **HEALTH CARE ISSUES**

HB 352/Rep. Gattis & SB 191/Sen. Dunleavy – Limit Abortion Service Providers in Schools

SB 201/Sen. Giessel – Pharmacy Board and Employees; Drug Distribution & Manufacturing

HB 323/Rep. LeDoux – Youth Marijuana Prevention Grant Fund

HB 328/Rep. Talerico – Regulation of Smoking

HB 331/Rep. Vazquez – Medical Assistance EOB for Services

HB 332/Rep. Vazquez – Medical Assistance Provider Fraud

HB 336/Rep. Vazquez – Bonds for Medical Assistance Providers

HB 337/Rep. LeDoux – Marijuana Taxes; Excess Possession; Bonds

HB 344/Rep. Seaton – Drug Prescription Database

HB 345/Rep. Claman – Insurance Coverage for Contraceptives

### **PUBLIC SAFETY ISSUES**

HB 324/Rep. LeDoux – Violent Crimes Compensation Board Membership

HB 334/Rep. Munoz – Child Custody; Domestic Violence; Child Abuse

HB 349/Rep. LeDoux – Sex Trafficking

SCR 20/Sen. Meyer – Sexual Assault Awareness Month: April 2016

## **BILLS ON THE MOVE**

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

### **SENATE COMMITTEE OR FLOOR ACTION**

#### **SB 72 / Designated Caregivers for Patients**

[http://www.legis.state.ak.us/basis/get\\_complete\\_bill.asp?session=29&bill=SB72](http://www.legis.state.ak.us/basis/get_complete_bill.asp?session=29&bill=SB72)

Version 29-LS0047\F - Moved CS out of Senate Labor & Commerce on 2/25. Pending Rules

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

[http://www.akleg.gov/basis/get\\_complete\\_bill.asp?session=29&bill=SB744](http://www.akleg.gov/basis/get_complete_bill.asp?session=29&bill=SB744)

Version 29-LS0692\F - CS heard and held in Senate Finance on 2/25. Scheduled for 2/29, 3/1, 3/2.

#### **SB 78 / Medicaid Expansion/Reform**

[http://www.akleg.gov/basis/get\\_complete\\_bill.asp?session=29&bill=SB78](http://www.akleg.gov/basis/get_complete_bill.asp?session=29&bill=SB78)

Version 29-GS1055\A - Hearings continued last week in a special Senate Medicaid Subcommittee.

#### **SB 89 / Parent Rights: Education; School Absence (Floor action!)**

[http://www.legis.state.ak.us/basis/get\\_complete\\_bill.asp?session=29&bill=SB89](http://www.legis.state.ak.us/basis/get_complete_bill.asp?session=29&bill=SB89)

Version 29-LS0735\F - Passed Senate Floor on 2/26 with a vote of 11 yeas and 7 nays.  
Notice of reconsideration given.

#### **SB 91 / Omnibus Criminal Law & Procedure; Corrections**

[http://www.legis.state.ak.us/basis/get\\_complete\\_bill.asp?session=29&bill=SB91](http://www.legis.state.ak.us/basis/get_complete_bill.asp?session=29&bill=SB91)

Version 29-LS0541\N - Heard in Senate State Affairs on 2/25. Scheduled again on 3/1 and 3/2.

#### **SB 98 / Prescription Without Physical Examination**

[http://www.akleg.gov/basis/get\\_complete\\_bill.asp?session=29&bill=SB998](http://www.akleg.gov/basis/get_complete_bill.asp?session=29&bill=SB998)

Version 29-LS0838\W - CS heard and held in House L&C on 2/26. Scheduled next on 3/1.

#### **SB 103 / Residential Psychiatric Education Funding (No change)**

[http://www.legis.state.ak.us/basis/get\\_complete\\_bill.asp?session=29&bill=SB103](http://www.legis.state.ak.us/basis/get_complete_bill.asp?session=29&bill=SB103)

Version 29-LS0733\I - Heard and held in Senate Education on 2/25.

#### **SB 113 / New Drugs for the Terminally Ill (No change)**

[http://www.legis.state.ak.us/basis/get\\_complete\\_bill.asp?session=29&bill=SB113](http://www.legis.state.ak.us/basis/get_complete_bill.asp?session=29&bill=SB113)

Version 29-LS0783\A - Heard and held in House HSS on 2/24.

#### **SB 156 / Insurance Coverage for Contraceptives (No change)**

[http://www.legis.state.ak.us/basis/get\\_complete\\_bill.asp?session=29&bill=SB156](http://www.legis.state.ak.us/basis/get_complete_bill.asp?session=29&bill=SB156)

Version 29-LS1144\W - Heard and held in Senate HSS on 2/24.

#### **SJR 1 / Constitutional Amendment: Guarantee PFD**

[http://www.legis.state.ak.us/basis/get\\_complete\\_bill.asp?session=29&bill=SJR1](http://www.legis.state.ak.us/basis/get_complete_bill.asp?session=29&bill=SJR1)

Version 29-LS0008\A - Heard in Senate State Affairs on 2/23. Scheduled 3/3 for Public testimony.

#### **SJR 19 / Call Fed. Constitutional Convention: Term Limits (No change)**

[http://www.legis.state.ak.us/basis/get\\_complete\\_bill.asp?session=29&bill=SJR19](http://www.legis.state.ak.us/basis/get_complete_bill.asp?session=29&bill=SJR19)

Version 29-LS1467\A - Heard and held on 2/24 in Senate Judiciary.

**HOUSE COMMITTEE OR FLOOR ACTION**

**HB 75 / Marijuana Regs; Clubs; Muni's; Local Option Elections (Floor vote!)**

[http://www.legis.state.ak.us/basis/get\\_complete\\_bill.asp?session=29&bill=HB75](http://www.legis.state.ak.us/basis/get_complete_bill.asp?session=29&bill=HB75)

Version 29-LS0345J - Passed Senate on reconsideration 18-2. Transmitted to House.

**HB 227 / Medical Assistance Reform**

[http://www.legis.state.ak.us/basis/get\\_complete\\_bill.asp?session=29&bill=HB227](http://www.legis.state.ak.us/basis/get_complete_bill.asp?session=29&bill=HB227)

Version 29-LS1096H - Heard and held in HSS on 2/23 and 2/25. Next scheduled for 3/1 and 3/3.

**COMMITTEE HEARINGS**

**MONDAY – Feb 29<sup>th</sup>**

(SENATE) FINANCE Committee

9:30 AM S. Finance Room 532

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

(SENATE) JUDICIARY Committee

1:30 PM Beltz Room 105 (TSBldg)

**SB 174 / Registration of Firearms/Knives by University of Alaska**

(HOUSE) LABOR & COMMERCE Committee

3:15 PM Barnes Room 124

**Presentation: Economic Impacts of Alaska Fiscal Options – Draft Conclusions**

By Professor Gunnar Knapp, ISER

**TUESDAY – March 1<sup>st</sup>**

(SENATE) STATE AFFAIRS Committee

8:30 AM Butrovich Room 205

**SCR 20 / Sexual Assault Awareness Month: April 2016**

**SB 91 / Omnibus Criminal Law and Procedure; Corrections**

(SENATE) LABOR & COMMERCE Committee

1:30 PM Beltz Room 105 (TSBldg)

**SB 98 / Prescription without Physical Exam**

(HOUSE) HSS Committee

3:15 PM Capitol Room 106

**HB 344 / Drug Prescription Database**

**HB 227 / Medical Assistance Reform**

(SENATE) EDUCATION Committee

3:30 PM Butrovich Room 205

**SB 191 / Limit Abortion Service Providers in Schools**

**THURSDAY – March 3<sup>rd</sup>**

(SENATE) STATE AFFAIRS Committee

8:30 AM Butrovich Room 205

**SB 91 / Omnibus Criminal Law and Procedure; Corrections**

(SENATE) FINANCE Committee  
9:00 AM S. Finance Room 532  
**SB 74 / Medicaid Reform/PFD/HSAS/ER Use/Studies**

(HOUSE) HSS Committee  
3:15 PM Capitol Room 106 <Note time change>  
**HB 227 / Medical Assistance Reform**

(SENATE) STATE AFFAIRS Committee  
6:30 PM Butrovich Room 205  
**SJR 1 / Constitutional Amendment: Guarantee Permanent Fund Dividend**

**FRIDAY – March 4<sup>th</sup>**

(SENATE) FINANCE Committee  
8:30 AM S. Finance Room 532  
**SB 74 / Medicaid Reform/PFD/HSAS/ER Use/Studies**

(SENATE) Public Safety Finance Subcommittee  
8:30 AM Beltz Room 105 (TSBldg)  
**Dept. of Education and Early Development – FY17 Operating Budget Closeout**

(SENATE) HSS Finance Subcommittee  
11:00 AM Butrovich Room 205  
Dept. of Health & Social Services – Budget Closeout

**WAYS TO FOLLOW HEARINGS**

**Website – Daily Committee Hearings**

Feb. 29 – Mar. 6, 2016

[http://www.legis.state.ak.us/basis/get\\_hearing.asp?session=29&Chamb=B&Date1=02%2F29%2F2016&Date2=03%2F06%2F2016&Comty=&Root=&Sel=1&Button=Display](http://www.legis.state.ak.us/basis/get_hearing.asp?session=29&Chamb=B&Date1=02%2F29%2F2016&Date2=03%2F06%2F2016&Comty=&Root=&Sel=1&Button=Display)

**~ End of Report ~**

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