

2016 CAPITOL CURRENTS

29th Alaska State Legislature ~ 2nd Session

Seventh Edition – 3/7 to 3/13/16

35 days to go

~ Ivy Spohnholz appointed to the House District 16 seat ~

HIGHLIGHTS

Governor Bill Walker named Salvation Army development director Ivy Spohnholz as the new representative for House District 16, replacing Max Gruenberg who died earlier this year in Juneau.

She is vice chairwoman of the Alaska Children's Trust and has lived in Anchorage for more than 35 years. Ms.

Spohnholz was confirmed by a majority vote of House Democrats and sworn into office March 10th.

Representative Spohnholz recognized her mother sitting in the gallery behind her. Former Representative Ann Spohnholz was also appointed to a House seat in 1989.

Trial by fire. On her first day, the House Floor session lasted until 3:30 a.m. as numerous floor amendments were considered and all voted down.

After losing in the Superior Court, the Legislature may continue their battle against Medicaid expansion. It will probably cost \$250,000 or more to pursue a lawsuit that every judge has thrown out.

The House Speaker refused to allow debate or a vote when an amendment came forward to revoke money for the appeal to the Alaska Supreme Court.

He said it was out of order because the lawsuit was "awaiting adjudication in court" – even though the case was dismissed this past week.

Disabled Alaskans can save more money without affecting their state and federal benefits under a bill pending in the Alaska House. Although introduced last year, the sponsor finally got a hearing for the idea.

HB 188 would allow Alaskans to make use of the federal Achieving a Better Life Experience, or ABLE, law, designed to allow disabled people and their families to contribute to tax-free accounts for expenses like education, housing and transportation.

BUDGET ISSUES

Many economists and financial experts are saying the same thing – We're headed for a deep recession.

Even if the Legislature makes the best choices, closing the current \$3.8 billion deficit would cost up to 30,000 jobs in direct and indirect losses.

An Anchorage legislator complained that his fellow finance members seemed to be playing a budgetary “shell game” after it was revealed the state’s Statutory Budget Reserve savings account contains \$288 million previously thought drained in 2015.

Another member likened it to finding \$288 million in the “couch cushions.” According to Legislative Finance, the money remains because the state cut more spending than assumed in previous fiscal years, and earned more money.

The Alaska House passed an \$8.66 billion state operating budget that cuts \$639.6 million from existing operations. This number allegedly is also 30 percent less than FY15.

The House appropriated \$30 million to develop additional substance abuse services.

\$2,681,000 was restored to Public Broadcasting. This will be a conference committee item since the Senate refused to put it in.

\$450,000 was also added to Home and Community Based Senior Grants. These grants fund non-profit agencies to provide services for physically frail people over the age of 60 and individuals of any age with Alzheimer’s or related disorders.

In the meantime, the Senate Finance Committee 4 to 3, restored \$820,000 to the “Best Beginnings” program and “Parents as Teachers” in their version of the operating budget.

Both programs will be discussed in conference committee since the House didn’t include them.

The Alaska Legislature is blitzing through this year’s budget work at a pace not seen in recent times. But, with 35 days to go, lawmakers still haven’t figured out how to pay for it.

However, legislators in both parties do acknowledge they’ll have to use some of the earnings of the Alaska Permanent Fund, which would lead to reductions in residents’ annual dividend checks.

They still haven’t settled on the details. And, the slew of proposed tax increases on resource industries and consumption to help close the budget gap are taking their time.

Large and small oil companies are fighting **HB 247**, a proposal that would increase oil taxes by about \$100 million and reduce the amount the state is paying in subsidies to oil companies by about \$400 million a year.

EDUCATION ISSUES

Throughout Alaska, Planned Parenthood provides education to about 2,000 students every year. **SB 191** was heard and held in the Senate Education Committee on March 10th this past week.

This legislation would restrict the access of abortion services providers to public schools.

While some claim they are indoctrinating our young people, providers come into the classroom to give current and factual health information to build healthy lives. Many have said it is inappropriate for the Legislature to mandate who and how our teachers are to teach.

Opposition to this legislation is overwhelming, with more than 120 pieces of personal correspondence voicing concerns, far less in support.

HEALTH & SOCIAL SERVICES ISSUES

The Alaska Senate voted unanimously to approve a bill to increase the availability of the overdose-prevention drug Naloxone.

The governor will sign senate Bill 23 by Senator Johnny Ellis on March 14th in the Capitol at 9:00am.

SB 23 provides legal protection for those providing and administering the drug that stops the physical effect of a heroin or opiate painkiller overdose. It will be easier to obtain and can be in the hands of friends and family members of addicts, not just emergency responders.

A Senate bill to implement major Medicaid reform, SB 74, passed the Senate and was transmitted to the House. The Department of Health and Social Services (DHSS) calculates savings of up to \$33 million in the first year, and up to \$113 million by fiscal year 2022.

The savings, come from reducing unnecessary visits to the emergency room; encouraging increased use of primary care; reducing travel expenses by better coordinating office visits; reducing doctor/pharmacy costs and improper usage of opioids; eliminating user fraud; and increasing access to telemedicine.

PUBLIC SAFETY ISSUES

Marijuana growers could see operation expenses spike if a tax and bond bill (**HB 337**) introduced by an Anchorage lawmaker passes. The bill would punitively tax marijuana grown illegally in the state and add a \$5,000 cash bond requirement for new legal marijuana businesses.

The Alaska Department of Revenue told the House Commerce and Labor Committee they would do a better job of collecting Alaska's marijuana tax with this legislation.

NATURAL RESOURCES

BP will reduce the active rig count at Prudhoe Bay from five to just two, a decision caused by low oil prices and expected to impact oil production and more than 200 contracting jobs.

With prices at their lowest since 2008, the news comes on the heels of several other announcements of job reductions and project delays as companies slash operations in Alaska.

The House Resources Committee is offering two opportunities to weigh-in Monday, March 14 on Governor Walker's proposal to increase oil taxes (**HB 247**) - either from 1 p.m. to 3 p.m., or after normal working hours from 6 p.m. to 8 p.m.

GOVERNOR'S CORNER

<http://gov.alaska.gov>

The governor ordered all Alaska state flags be lowered in honor of former First Lady of the United States Nancy Reagan, who passed away this past week at the age of 94. The action follows a proclamation by President Barack Obama to lower all United States flags in honor of Mrs. Reagan.

The Lt. Governor has found that the initiative related to the permanent fund dividend application and the registration of voters was properly filed, and may proceed to the ballot.

If approved by voters, it would instruct the Division of Elections to automatically register qualified Alaskans to vote when applying for the annual Permanent Fund dividend.

The measure will be on the August 16, 2016 primary ballot.

The lieutenant governor's letter to the initiative's sponsors along with the ballot title and proposition are available at <http://www.elections.alaska.gov>.

To register to vote online, or update your registration record, go to:
<https://voterregistration.alaska.gov/>.

Governor Walker signed Administrative Order 281 to explore options for a more streamlined and effective approach to economic development in the state. The Alaska Housing Finance Corporation (AHFC), Alaska Energy Authority (AEA) and Alaska Industrial Development and Export Authority (AIDEA) will participate in discussions about combining or consolidating their operations.

IMPORTANT DATES

The new State Library, Archives and Museum - SLAM - will open June 6th. June 6th is the 116th anniversary of the division, which was established by an act of Congress as the Alaska Historical Library and Museum.

NEW BILLS OF INTEREST

<http://www.akleg.gov>

Note: No pertinent legislation introduced this past week by the House or the Senate.

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 (Floor action!)

http://www.akleg.gov/basis/get_complete_bill.asp?session=29&bill=SB74

Version 29-LS0692U.A - Passed Senate with vote of 19-0 on 3/11 and transmitted to House.

SB 91 / Omnibus Criminal Law & Procedure; Corrections

http://www.legis.state.ak.us/basis/get_complete_bill.asp?session=29&bill=SB91

Version 29-LS0541I - Heard in Senate Judiciary on 3/9 and 3/11.

SB 103 / Residential Psychiatric Education Funding

http://www.legis.state.ak.us/basis/get_complete_bill.asp?session=29&bill=SB103

Version 29-LS0733I - Heard and held Senate Judiciary on 3/7.

SB 141 / E-Cigs: Sale to and Possession by Minor

http://www.legis.state.ak.us/basis/get_complete_bill.asp?session=29&bill=SB141

Version 29-LS1258I - Heard and held Senate Judiciary on 3/7.

SB 180 / Parent-Guardian/Child: Temp. Power of Attorney

http://www.legis.state.ak.us/basis/get_complete_bill.asp?session=29&bill=SB180

Version 29-LS1431I - Moved out of Senate Judiciary on 3/7. Referred to Rules.

SB 191 / Limit Abortion Service Providers in Schools

http://www.akleg.gov/basis/get_complete_bill.asp?session=29&bill=SB191

Version 29-LS1269\A - Heard and held in Senate Education on 3/10. Scheduled again on 3/15.

HB 256 / FY17 Operating Budget (Floor action!)

http://www.legis.state.ak.us/basis/get_complete_bill.asp?session=29&bill=HB256

Version 29-GH2740\U - Passed House on 3/10 with vote of 24-14. Moved from Senate Finance on 3/11. Read second time on 3/12. Advanced to third reading on 3/14 Senate calendar.

HB 257/ FY17 Mental Health Budget (Floor action!)

http://www.legis.state.ak.us/basis/get_complete_bill.asp?session=29&bill=HB257

Version 29-GH2742\N - Passed House on 3/10 with vote of 38-0. Moved from Senate Finance on 3/11. Read second time on 3/12. Advanced to third reading on 3/14 Senate calendar.

HOUSE COMMITTEE OR FLOOR ACTION

HB 224 / Permanent Fund: Income; Distribution; PFD

http://www.legis.state.ak.us/basis/get_complete_bill.asp?session=29&bill=HB224

Version 29-LS1071\I - Scheduled in House Finance on 3/18.

HB 227 / Medical Assistance Reform

http://www.legis.state.ak.us/basis/get_complete_bill.asp?session=29&bill=HB227

Version 29-LS1096\N - Moved from House HSS on 3/8. Referred to Finance.

HB 245 / Permanent Fund: Deposits; Dividend; Earnings

http://www.legis.state.ak.us/basis/get_complete_bill.asp?session=29&bill=HB245

Version 29-GH2859\A - Scheduled in House Finance on 3/18.

HB 303 / Permanent Fund: Earnings, Deposits, Accounts

http://www.legis.state.ak.us/basis/get_complete_bill.asp?session=29&bill=HB303

Version 29-LS1426\A - Scheduled in House Finance on 3/18.

HB 344 / Drug Prescription Database

http://www.legis.state.ak.us/basis/get_complete_bill.asp?session=29&bill=HB344

Version 29-LS1378\H - Scheduled House HSS on 3/15.

SB 89 / Parent Rights: Education; School Absence

http://www.legis.state.ak.us/basis/get_complete_bill.asp?session=29&bill=SB89

Version 29-LS0735\F.A - Passed Senate on 2/29. Scheduled House Education on 3/14.

COMMITTEE HEARINGS

Note: HCR 23, which suspended the Uniform Rules regarding the noticing of hearings has been amended. Effective March 11th, the House is back to a 5-day rule for noticing committee hearings.

However, since the Senate and House will probably appoint a conference committee on the Operating and Mental Health budgets by Wednesday – March 16th, that means both the House and Senate will be on the 24-hour rule again for noticing hearings.

MONDAY – March 7th

(HOUSE) EDUCATION Committee

8:00 AM Capitol Room 106

SB 89 / Schools; Parent Rights; Abortion Providers Limits

HB156 / School Accountability Measures; Federal Law

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

SB 1 / Regulation of Smoking

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

Presentation: Sheldon Fisher, Commissioner, Dept. of Administration

“Administrative Contracts; Legal Opinion: Legislature’s Role in Overturning a Public Employee Collective Bargaining Agreement” by Dan Wayne

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

Presentation by Alaska’s Council on Domestic Violence & Sexual Assault

Key Results from the 2015 Alaska Victimization Survey - Presented by Dr. Andre Rosay

TUESDAY – March 8th

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

SB 145 / Day Care Assistance and Child Care Grants

SB 147 / Senior Benefits Program Eligibility

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

HB 344 / Drug Prescription Database

HB 260 / Day Care Assistance and Child Care Grants

HB 234 / Insurance Coverage for Telemedicine

HB 237 / Interstate Medical Licensure Compact <Public Testimony>

(SENATE) EDUCATION Committee
3:30 PM Butrovich Room 205

SB 191 / Limit Abortion Service Providers in Schools <Testimony – Invitation Only>

WEDNESDAY – March 9th

(HOUSE) EDUCATION Committee
8:00 AM Capitol Room 106

HB 102 Residential Psychiatric Center; Education Students/Funds

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

SB 124 / Extend Sunset on Alaska Commission on Aging

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

SB 53 / Advanced Practice Registered Nurses

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

SB 112 / Adoption of Child in State Custody

(HOUSE) LABOR & COMMERCE Committee
3:15 PM Barnes Room 124
HB 337 / Marijuana Taxes; Excess Possession; Bonds

THURSDAY – March 10th

(SENATE) STATE AFFAIRS Committee
8:30 AM Butrovich Room 205
SB 114 / Permanent Fund: Earnings, Deposits, Accounts
SB 128 / Permanent Fund: Deposits; Dividend; Earnings

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

Confirmation Hearings:
- **Board of Nursing**
- **Board of Pharmacy**

(HOUSE) FINANCE Committee
1:30 PM H. Finance Room 519
HB 226 / Extend Alaska Commission on Aging

(HOUSE) HSS Committee
3:00 PM Capitol Room 106
HB 234 / Insurance Coverage for Telemedicine <Public Testimony>
HB 237 / Interstate Medical Licensure Compact

FRIDAY – March 11th

(HOUSE) EDUCATION Committee
8:00 AM Capitol Room 106

Confirmation Hearings:
- **Board of Education & Early Development**
- **Professional Teaching Practices Commission**
- **University of Alaska Board of Regents**

(HOUSE) JUDICIARY Committee
1:00 PM Gruenberg Room 120
HB 205 / Criminal Law/Procedure; Driver's License; Public Aid <Testimony–Invitation Only>

(HOUSE) FINANCE Committee
1:30 PM H. Finance Room 519
HB 224 / Permanent Fund: Income; Distribution; PFD
HB 245 / Permanent Fund: Deposits; Dividend; Earnings
HB 303 / Permanent Fund: Earnings, Deposits, Accounts

~ End of Report ~

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