

2017 CAPITOL CURRENTS

30th Alaska State Legislature ~ 1st Session

First Edition – 1/17 to 1/22/17

– 83 Days to go! –

~ 30th Legislature Opens with 15 newly elected citizens to represent their districts ~

NEW LEGISLATORS

One quarter of the entire legislature turned over this year. Click on a name below to learn more.

<u>Name</u>	<u>Represents</u>
Sen. Tom Begich (D)	Anchorage-Mountainview/Downtown
Sen. Natasha Von Imhof (R)	Anchorage-Taku/Oceanview
Sen. David Wilson	Mat-Su-Wasilla/Big Lake
Rep. Chris Birch (R)	Anchorage-Huffman
Rep. David Eastman (R)	Mat-Su-Rural
Rep. Zach Fansler (D)	Bethel and Lower Kuskokwim
Rep. Jason Grenn (N)	Anchorage-Sand Lake
Rep. Delena Johnson (R)	Mat-Su-Greater Palmer
Rep. Jennifer Johnston (R)	South Anchorage
Rep. Gary Knopp (R)	Kenai and Soldotna
Rep. Chuck Kopp (R)	Anchorage-Oceanview
Rep. Justin Parish (D)	Juneau-Valley and Auke Bay
Rep. George Rauscher (R)	Mat-Su-Richardson Hwy
Rep. Colleen Sullivan-Leonard (R)	Mat-Su-Greater Wasilla
Rep. Dean Westlake (D)	Arctic, Barrow and Kotzebue

HIGHLIGHTS

The 1st session of the 30th Alaska State Legislature convened on January 17th. April 16th marks the 90th day as set by statute, but the Alaska Constitution allows for 121 days ending May 17th.

Rep. Bryce Edgmon of Dillingham was officially elected to be Speaker of the House under a new Alaska House [Majority Coalition](#) consisting of 17 Democrats, 2 Non-Partisans and 3 Republicans. He is the first Speaker of Alaska Native descent.

Senator Pete Kelly of Fairbanks is the new president of the Senate. He leads a 15-member [Majority](#) made up of 14 Republicans and 1 Democrat. His caucus is proposing to cut \$750 million more from the budget in the next three years — 5 percent this year, and 4 percent and 3 percent in 2018 and 2019.

Governor Walker delivered his third [State of the State](#) Address reiterating his support for a sustainable fiscal plan and outlining his plans for addressing education reform and combating Alaska's opioid epidemic.

The House changed the structure for budget subcommittees responsible for reviewing portions of the state's operating budget. Standing policy committees will now hear budget presentations and act as budget subcommittees with a Finance member acting as the subcommittee's chair.

The plaque to name the House Judiciary Committee room in honor of the late Rep. Max Gruenberg was unveiled Thursday. House members unanimously passed a resolution last session that dedicated the room in honor of Gruenberg.

The national, non-partisan [Women in Government Foundation](#) has released a [tool kit](#) to help lawmakers and regulators across the country develop policies to help those dealing with mental health and substance abuse disorders. The tool kit is the work of a national task force created in 2016 that includes Rep. Geran Tarr.

The day after the swearing in ceremonies of the 45th president of the United States, saw millions of people take to the streets to rally behind a common theme of honoring women. The Women's March on Washington, an idea shared by a Hawaiian woman back in November, grew to include over 670 marches worldwide. People in 17 Alaskan communities participated in the event.

BUDGET ISSUES

The Governor's fiscal year 2018 budget was released on December 15, 2016. This new budget further reduces state spending by eliminating almost 800 state jobs, implementing wage freezes, mandatory furlough days, and state employees would contribute more toward health care coverage. Automatic cost-of-living increases have been eliminated in all contracts negotiated to date.

The Governor transmitted legislation that if passed will implement the wage freezes in his budget. [HB71](#) / [SB31](#) will freeze nonunion state employees' pay for two years. This would affect the Legislature, executive branch, University, and the Courts. The bill is expected to reduce spending by \$5 million a year.

The Governor's budget also embraces the restructuring of the Permanent Fund Earnings Reserve. [HB61](#) / [SB26](#) was transmitted to the Legislature establishing a new financial model to enable sustainable funding of state services and the protection of the Alaska Permanent Fund.

The goal is for the PF Earnings Reserve Account (ERA) to generate a predictable return on revenues for state government. The Permanent Fund Dividend (PFD) would also continue, but on a more sustained and predictable basis.

As drafted, the PFD would be set at \$1,000 for the next two years. Thereafter, a new formula would kick in and the resulting dividend would be approximately the same amount into the future.

Other tweaks are proposed for the inflation-proofing mechanism and a new section that would reduce the annual draw from the ERA if the state receives more than \$1.2 billion in mineral royalties and oil and gas production taxes in a fiscal year.

The ANS West Coast price was at **\$52.97** a barrel on Jan. 19th of this year almost double the price from last year on the first day of session. Still a long way to return to the prices of yesteryear, but factoring \$30 million of revenue for every dollar it rises, that's approximately \$780 million more money for the state coffers.

Numerous pieces of legislation on a variety of taxes will be forthcoming. These revenue enhancements will probably include a statewide sales tax, individual income tax, mining and fisheries taxes, and a host of other taxes and fees for consideration.

Some legislators are ready to roll back oil and gas tax credits to fill the budget gap. As one Senator has stated; "If you simply restructure the oil taxes to get our historic 30 percent, it brings in \$4.2

billion.” Related to this discussion is the fact that the state’s partners in the Trans-Alaska Natural Gas Pipeline (AKLNG) have backed out of the efforts to bring natural gas to market.

Marijuana growers and retailers began operations this past year. The state expects to earn \$5 million in taxes by the summer of 2017. Since the industry is so new, many more pieces of the legislative and regulatory puzzle will have to be figured out by the legislature, the Alcohol and Marijuana Control Board, and local governments around the state. Complicating this issue could be the Board’s executive director Cynthia Franklin’s resignation, which was effective January 6th.

EDUCATION ISSUES

With the selection of Betsy DeVos, a school voucher advocate as a nominee for the U.S. Education Secretary, the new administration has signaled that a voucher program will be pushed in the next Congress. Matter of fact, the president said he intends to pour billions of federal dollars into efforts to expand vouchers and charter schools nationwide.

The notion of sending taxpayer funds to private and parochial schools is one of the most polarizing ideas in education. This subject too will be on state lawmaker’s plates this session.

HEALTH & SOCIAL SERVICES ISSUES

This past legislature reformed Medicaid for the first time in the state's history, saving an estimated \$33 million in the first year of implementation, and up to \$113 million by FY 2022. The expansive bill includes provisions geared toward flushing out fraud and waste.

Among other features, it calls for a primary care case management system to increase use of appropriate primary and preventative care and decrease unnecessary use of specialty care and emergency services. Debate will continue this year.

PUBLIC SAFETY ISSUES

More than four years in the making, the omnibus crime legislation (**SB 91**) that was signed into law this past year will purportedly save tens of millions of dollars that would be redirected to treatment, prevention, and supervision programs. This bipartisan act is aimed at reducing the state’s prison population by reforming several elements of the criminal justice system.

This bill has prompted criticism from some law enforcement groups and victims’ rights organizations that worry the bill softens the code just a bit too much. Look for legislation this session to roll back some of these new initiatives.

GOVERNOR'S CORNER

<http://gov.alaska.gov>

The governor’s office will post press releases and other items of interest at the website above.

Scott Kendall was appointed as Chief of Staff in early December. Jim Whitaker continues with the Administration as a Senior Advisor on Major Projects.

Commissioners to be confirmed by the legislature this year include: Department of Education and Early Development-Michael Johnson; Department of Law-Jahna Lindemuth (Attorney General); Department of Natural Resources- Andy Mack; and Department of Public Safety-Walt Monegan
[Governor's Cabinet Members](#)

IMPORTANT DATES

15th Legislative Day (Jan. 31, 2017) Deadline for Governor's Supplemental budget requests.

30th Legislative Day (Feb. 15, 2017) Deadline for Governor to submit budget Amendments

Energy Council (March 3-6, 2017) Washington D.C.

Alaska Permanent Fund Dividend – Filing Deadline: March 31, 2017

NEW DOCUMENTS

~ Reports below are on file with either the House Clerk or Senate Secretary ~

Alaska Criminal Justice Commission reports below:

Alcohol-Related Offenses in Title 28 of the Alaska Statutes Report – Dec. 1, 2016

Recommendations for Improving Criminal Sentencing/Justice Practices – Dec. 20, 2016

Social Impact Bonds Report – Dec. 15, 2016

Victim Restitution – Dec. 1, 2016

Dept. Health & Social Services reports below:

Alaska Medicaid Management Information System (AK MMIS) – Dec. 15, 2016

Annual Medicaid Reform Report – Nov. 15, 2016

Alaska Health Care Commission – Oct. 17, 2016

Dept. of Law Joint Legislative Report – November 2016

Fraud, Abuse, and Waste, Payment and Eligibility Errors for FY 16 Joint Legislative Report

Dept. Public Safety Alaska Scientific Crime Detection Laboratory, Select Issues – Nov. 7, 2016

NEW BILLS OF INTEREST

<http://www.akleg.gov>

Budget Bills / FY18

HB 57 / SB 22 – Operating Budget

HB 58 / SB 23 – Capital Budget

HB 59 / SB 24 – Mental Health Budget

Health Care Issues

HB 9 / Saddler – Pharmacy Board and Employees; Drug Distribution and Manufacturing

HB 19 / Drummond – Limiting the application of neonicotinoid pesticides

HB 24 / Millett – List U-47700 as a Controlled Substance

HB 25 / Claman – Insurance Coverage for Contraceptives

HB 27 / Tarr – High Risk Chemicals for Child Exposure

HB 28 / Tarr – Cosmetics Ingredients Disc

HB 32 / Tarr – Label Genetically Modified Food

HB 43 / Grenn- New Drugs for the Terminally Ill

HB 54/ Drummond-Voluntary Termination of Life

SB 6 / Hughes – Industrial Hemp Production as related to Controlled Substances
SB 10 / Dunleavy – Adult Foster Care for Disabled under Medicaid
SB 15 / Stevens – E-Cigs: Sale to and Possession by Minor
SB 19 / Wielechowski – New Drugs for the Terminally Ill
SB 20 / Meyer – List U-47700 as a Controlled Substance

Public Safety Issues

HB 8/ Edgmon-Enforcement of Foreign Protective Orders
HB 10/ Wilson-Child in Need of Aid/Protection and Duties
HB 12/ Wilson-Nonemergency Removal of a Child
HB31 / Tarr-Sexual Assault Examination Kits
HB 45 / Tarr-Alcohol Sales Near a School or Church
HB 52 / Drummond-Limit Flame Retardant Items/Furniture

Boards & Commissions Issues

HB 49 / Kito-Extend Board of Direct-Entry Midwives
HB 69 / Governor-Repeal Workers' Comp. Appeals Commission
SB 29 / Governor-Repeal Workers' Comp. Appeals Commission

Constitutional Issues

HJR 1 / Josephson – Proposing an amendment to the Alaska Constitution on Marriage
HJR 2 / Rausher – Proposing an amendment to the Alaska Constitution on an Appropriation Limit
HJR 3 / Claman – Proposing an amendment to the Alaska Constitution on 90-Day Regular Sessions
SJR 1 / Wielechowski – Proposing an amendment to the Alaska Constitution to Guarantee Permanent Fund Dividend

Education Issues

SB 7 / Stevens – Museum Construction Grant Program

Election/Voter Issues

HB 1 / Tuck – Election Registration and Voting
HB 7 / Kreiss-Tomkins – Display of Photos of Marked Ballots

Employee/Retirement Issues

HB 3 / Tuck – National Guard Leave/Reemployment Rights
HB 5 / Millett – Medical Insurance: Dependents of Deceased Firefighters and Police
HB 11 / Kawasaki – Retirement Incentive Program for Public Employees and Teachers
HB 23 / Josephson – Insurance: Dependents of Deceased Firefighters and Police
HB 26 / Tarr – Nursing Mothers in Workplace
HB 30 / Tarr – Paid Sick Leave
HB 37 / Josephson – PERS Credit and Workers' Compensation for Police and Firefighters
HB 38 / Josephson – Workers' Compensation: Death Benefits
HB 45 / Tarr – Equal Pay and Minimum Wage Act

HB 47 / Foster – Municipal PERS Contribution and Interest
HB 71 / Governor – No State Employee Pay Increase for Two Years
SB 31 / Governor – No State Employee Pay Increase for Two Years

Other Issues

HB 13 / Josephson – State Funds for Federal Immigration Law(Registry based on Race or Religion)
HB 15 / Josephson – Marriage and Spouses Official Documents
HB 20 / Claman – Marriage Solemnization
HB 44 / Grenn – Legislative Ethics: Voting and Conflicts
HB 72 / Thompson – Collection of Biometric Info
SB 5 / Meyer – Political Contribution Limits and Prohibition

WAYS TO FOLLOW HEARINGS

Check the committee calendar the day of the scheduled hearing as sometimes a bill is rescheduled at the last minute

Website-Daily Committee Hearings for Jan. 23-27, 2016
[Committee Hearing Schedule](#)

Gavel to Gavel: Most committee hearings can be seen and heard on Gavel Alaska. It is broadcast on both local access TV and on the internet at [360North](#)

Streaming Video
<http://alaskalegislature.tv>

Testifying
Legislative Information Office (LIO) [Find your LIO here](#)
In Juneau: see committee hearing list for room numbers
Call-in: available with prior approval from the committee chair
1-855-463-5009 or in Juneau 907-463-5009

COMMITTEE HEARINGS

TUESDAY – Jan. 24

(HOUSE) Finance Committee
1:30 PM House Finance Room 519
Overview FY18 Budget – Dept. Health & Social Services

(HOUSE) Joint HSS Committee and Finance Sub-committee
3:00 PM Capitol Room 106
Overview: Dept. of Health & Social Services Budget -- Testimony <Invitation only> --

WEDNESDAY – Jan. 25

(HOUSE) Judiciary Committee
1:00 PM Gruenberg Room 120
HB 44 / Legislative Ethics: Voting and Conflicts
HCR 1 / Amend Uniform Rules: Abstain from Voting

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

DHSS Overview: Com. Valerie Davidson and Acting Asst. Commissioner Shawnda O'Brien
Testimony <Invitation only>

(SENATE) Judiciary Committee

1:30 PM Beltz Room 105 (TSBldg)

Presentation: Alaska Criminal Justice Commission Testimony <Invitation only>

THURSDAY – Jan. 26

(HOUSE) Public Safety Finance Sub-committee

9:00 AM Barnes Room 124

Overview: Dept. Public Safety – Policy and Budget Testimony <Invitation only>

(SENATE) Finance Committee

9:00 AM S. Finance Room 532

Presentation: Mental Health Trust FY18 Budget

(HOUSE) Finance Committee

1:30 PM H. Finance Room 519

HB 57 / Operating Budget

HB 59 / Mental Health Budget

Overviews: FY18 Budget

Dept. Education/Early Development - Dept. Public Safety - Alaska Mental Health Trust Authority

(HOUSE) Military & Veterans' Affairs Special Committee

1:30 PM Gruenberg Room 120

HB 3 / National Guard Leave/Reemployment Rights

(HOUSE) Joint Health & Social Services Committee and Finance Sub-committee

3:00 PM Capitol Room 106

Update: Medicaid Expansion and Reform by DHSS Testimony <Invitation only>

(HOUSE) Misc. Meeting re: Office of Children Services

5:30 PM Gruenberg Room 120

Public Testimony regarding OCS / Sponsored by Rep. Tammie Wilson

Juneau call in number: (907) 586-9085

(HOUSE) Finance Committee

5:30 PM H. Finance Room 519

HB 23 / Insurance for Dependents of Deceased Fire/Police

FRIDAY – Jan. 27

(SENATE) HSS Committee

1:30 PM Butrovich Room 205

Presentation: Update on Medicaid Reform Testimony <Invitation only>

– Monique Martin, DHSS Health Care Policy Advisor

(SENATE) Judiciary Committee

1:30 PM Beltz Room 105 (TSBldg)

Implementation Overview: SB 91 – 29th Alaska Legislature

WEBSITES OF INTEREST

2017 Legislators contact information

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

<http://akleg.gov/docs/pdf/800numbers.pdf>

2017 1st Session Staff contact list (*Not posted yet*)

2017 House & Senate Committees <http://akleg.gov/docs/pdf/commlist.pdf>

2017 House Finance Sub-committee Members

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

Legislative Publications List <http://akleg.gov/publications.php>

Legislative Finance Division <http://www.legfin.akleg.gov>

View specifics for the Capital and Operating Budgets.

FY 2018 Governor's budget overview <http://www.legfin.state.ak.us/Overview/Overview2018.pdf>

OMB FY 2018 budget proposal

<https://www.omb.alaska.gov/html/budget-report/fy2018-budget/proposed.html>

~ End of Report ~

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