

# **2017 CAPITOL CURRENTS**

*30<sup>th</sup> Alaska State Legislature ~ 1<sup>st</sup> Session*

**Fourth Edition – 2/6 to 2/12/17**

– 62 Days to go! –

*~ House Finance introduces Fiscal Framework for Alaska ~*

## **HIGHLIGHTS**

On Friday, HB 115 was read across the House Floor. Also called the State Revenue Restructuring Act, it combines revenue from the earnings of the Alaska Permanent Fund and a progressive income tax to establish a stable and balanced revenue stream for years to come.

Combine this with the House Resources Committees efforts to find a fair solution to the oil and gas subsidies debate and the ongoing attempts to find more spending cuts without damaging core services to the citizens of Alaska.

In the annual State of the Judiciary speech to a joint session of the Alaska Legislature, Justice Craig Stowers described how court system employees have already made sacrifices to reduce state spending. The state has saved \$2 million from Friday afternoon closures of the court system, and most salaries have been cut by four percent.

Sen. Dan Sullivan has introduced two bills to break up the U.S. Court of Appeals for the 9th Circuit. S.296 will form a commission to study the appeals court system. The other piece of legislation, S.295 would split the court into two: the 9th Circuit and a newly created 12th Circuit. The 9<sup>th</sup> Circuit holds nearly a third of all appeals cases pending nationally and it takes longer to close out its cases.

Looks like from all indicators the Legislature will fly right past the 90-day session again. Most if not all legislators feel it is incumbent upon them to come up with a fix for the state's fiscal crises and a clock should not be a deterrent.

## **BUDGET ISSUES**

The House Coalition introduced an oil tax bill (HB 111) that caused a firestorm on the Floor. The bill was introduced as a committee bill although the Republican Minority members of the Resources Committee weren't notified. Their proposal would raise oil taxes and limit cash subsidies and oil tax credits.

Alaska lost 9,000 jobs in late summer 2016 from the number of people employed the year before, the biggest decline yet in the current recession as low oil prices continued to shred the economy.

Employment cuts across Alaska have mounted monthly since late 2015, leading to four straight quarters of job decline as Alaska remains mired in recession with the nation's worst unemployment rate.

## **EDUCATION ISSUES**

For the first time in history, a Vice President had to cast the tie-breaking vote for a Cabinet nominee. VP Mike Pence voted in the affirmative for the U.S. Education Secretary nominee – Betsy DeVos.

It was a situation without precedent for a Cabinet nominee, and was created when our very own Senator Lisa Murkowski and Maine Senator Susan Collins cast their vote against the nominee, thus producing the 50-50 tie in the Senate.

The University of Alaska Fairbanks Faculty Senate became the second campus to vote no confidence in the leadership of UA President Jim Johnsen.

The UAA Faculty Senate passed a no confidence vote last month. The UAF resolution criticized his process to restructure the university system, called Strategic Pathways.

## **HEALTH & SOCIAL SERVICES ISSUES**

The Legislature will consider a proposal aimed at providing consumers better information about potential medical costs. Rep. Ivy Spohnholz of Anchorage, said she will introduce a bill early this week that will require health-care providers to list prices for their most common procedures.

Alaska's costs are some of the highest in the nation with some procedures costing ten times the prices found in Seattle.

The state of Alaska received \$2 million in an antitrust settlement in which a pharmaceutical company was accused of monopolizing the rights to a lifesaving drug in order to maintain massive price hikes.

Alaska and four other states joined the Federal Trade Commission in the complaint against Mallinckrodt Ard, formerly known as Questcor Pharmaceuticals.

The drug known as Acthar is used to treat among other ailments, infantile spasms and nephritic syndrome. After it was initially bought by Questcor, the cost of the drug went from \$40 per vial to more than \$34,000 per vial of the medicine.

February is National Cancer Prevention Month. Reducing the cancer mortality rate is one of 25 goals of the Healthy Alaska 2020 efforts. Want to know more? Go to: <http://hss.state.ak.us/ha2020/>

The American Institute for Cancer Research estimates that one third of the most common cancers in the US could be prevented by eating healthy and being active. Please visit [www.preventcancer.org](http://www.preventcancer.org)

## **PUBLIC SAFETY ISSUES**

February is Teen Dating Violence Awareness Month (TDVAM)--a national effort to raise awareness about abuse in teen and 20-something relationships and to promote programs that prevent it.

Additional resources:

Click here for [Alaska TDVAM Efforts](#)

Stand Up Speak Up Alaska: <http://www.standupspeakupalaska.org>

National Teen Dating Abuse Helpline: [1-866-331-9474](tel:1-866-331-9474)

A proposal to allow customers to consume marijuana at retail pot stores in Alaska was voted down this past week by the state Marijuana Control Board. Two members cited public comment complaining about the possibility of secondhand smoke in a public establishment.

## **NATURAL RESOURCES**

ConocoPhillips slashed its global losses in the final quarter of 2016 with help from more \$100 million of profits in Alaska. The company worldwide lost \$318 million in the quarter, but Alaska was the second-best region for the company bringing in \$116 million in adjusted earnings.

Audits and accounting adjustments tied to past royalty payments helped Alaska recover an extra \$117 million from oil and gas companies last year, primarily because federal pipeline regulators determined that the North Slope's major producers overcharged to move royalty oil through the trans-Alaska oil pipeline, also known as TAPS.

## **GOVERNOR'S CORNER**

<http://gov.alaska.gov>

*The governor's office posts' press releases and other items of interest at the website above.*

First Lady Donna Walker announced that nominations have opened for the First Lady's Volunteer of the Year Awards. Nominations began February 6 and go to the close of business on March 6, 2017.

Submissions may be online at [volunteerawards.alaska.gov](http://volunteerawards.alaska.gov), or hard copies are available for pick up at the Governor's Offices in Anchorage, Juneau, Fairbanks, and Palmer.

The First Lady's Volunteer of the Year Executive Committee will review the nominations, and recipients will be announced in late May.

See website below for more information.

<http://gov.alaska.gov/governor-home/meet-donna-walker/first-lady-volunteer-awards/>

## **IMPORTANT DATES**

**30<sup>th</sup> Legislative Day** (Feb. 15, 2017) Deadline for Governor to submit budget **Amendments**

**Mix & Mingle – Learn about Juneau's LIO.** (Feb. 15, 2017 from 6:00 PM – 7:30)

Where: Terry Miller Building – Room 104 (Behind the Capitol). Refreshments will be served. All Juneau legislators are scheduled to attend, along with LIO staff.

**Lunch & Learn – Citizens United for Safety & Protection** (Feb. 16, 2017) Capitol/Room 205  
“How Criminal Justice responses may negatively impact women impacted by Sex Trafficking”  
**Expert on Sex Trafficking and Sex Work author: Dr. Alexandra Lutnick, will be the speaker.**

**Honorable Lisa Murkowski**, U.S. Senator – Annual Address to Joint Legis. Session (Feb. 22, 2017)

**Planned Parenthood RALLY** (Wednesday, February 22 from 12:00-1:00 PM)

Where: Courtyard area across from the steps of the Capitol building. Wear Pink!

**Honorable Dan Sullivan**, U.S. Senator – Annual Address to Joint Legis. Session (Feb. 24, 2017)

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

## **NEW BILLS OF INTEREST**

<http://www.akleg.gov>

### **Health Care Issues**

HB 110 / Kito – Massage Therapy Licensing; Exemptions

SB 49 / Giessel – Physical/Occupational Therapy Board/Practice

SB 53 / Gardner – Insurance Coverage for Contraceptives

## **Public Safety Issues**

HB 112 / Claman – Sexual Assault by Peace Officers on a Victim, Witness or Perpetrator of a Crime  
HB 113 / Drummond – Driving under the Influence: Marijuana  
SB 54 / Coghill – Crime and Sentencing  
SB 55 / Senate Judiciary – Omnibus Crime/Corrections  
SCR 2 / Meyer – Proclaiming April 2017 as Sexual Assault Awareness Month

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## **Employee/Retirement Issues**

HB 109 / Chenault – State Employees: State Residency/Require state employees to be a state resident  
SB 52 / Egan – PERS/TRS Retirement Plans Optional: Defined Benefit/Defined Contribution

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## **Other Issues**

HB 115 / House Finance – Income Tax; PFD Credit; Permanent Fund Income

## **WAYS TO FOLLOW HEARINGS**

*Check “committee calendar” the day of scheduled hearing. A bill can be rescheduled last minute.*

Website-Daily Committee Hearings for Feb. 13 – Feb. 18, 2017

[Daily Schedule](#)

Gavel to Gavel: Most committee hearings can be seen and heard on Gavel Alaska.

It is broadcast on TV and on the internet at [www.360north.org](http://www.360north.org)

Streaming Video:

<http://alaskalegislature.tv>

Testifying:

Legislative Information Office (LIO)

Find your LIO here: <http://akleg.gov/lios.php>

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**

## **BILLS ON THE MOVE**

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

## **HOUSE COMMITTEE OR FLOOR ACTION**

[CSHB 7\(STA\)](#) / **Display of Photos of Marked Ballot**

Passed from STA on 2/6. Next hearing on 2/18.

During the hours the polls are open, a person who is in the polling place or within 200 feet of any entrance to the polling place may not physically display a photo, video, or other image of the person's marked ballot in an attempt to persuade a person to vote for or against a candidate, proposition, or question

**HB 8 / Enforcement of Foreign Protective Orders**

BILL Heard and held in House Judiciary on 2/8.

Next hearing on 2/13. Conforms Alaska law with the Full Faith and Credit provisions of the Violence Against Women’s Act requiring law enforcement and courts to recognize protective orders issued by tribal courts and courts of outside jurisdictions.

**HB 23 / Insurance for Dependents of Deceased Fire/Police**

Bill heard and held in House Finance on 2/9.

Provides major medical insurance coverage under the Public Employees' Retirement System of Alaska for certain surviving spouses and dependent children of peace officers and firefighters.

**HB 31 / Sexual Assault Examination Kits**

Heard and moved from House State Affairs on 2/7. Referred to Finance.

Requires the Department of Public Safety to develop a tracking system and collection and processing protocols for sexual assault examination kits; requires law enforcement agencies to send sexual assault examination kits to the Crime Lab for testing within 18 months after collection; and requires an inventory with reports on untested sexual assault examination kits to be submitted to the legislature.

**CS SSB 44(JUD) Legislative Ethics: Voting and Conflicts**

Moved from House Judiciary on 2/3. Scheduled House State Affairs 2/9.

The bill lists relationships and situations which if exists would prohibit a legislator from taking or withholding official action or exert official influence that could substantially benefit or harm the financial interest of those involved. The bill defines the phrase “substantially benefit or harm”.

**HB 49 / Extend Board of Direct-Entry Midwives**

Moved from House Labor & Commerce on 2/3. Referred to House Finance.

Extends the Board of Direct-Entry Midwives through June 30, 2021

**HB 74 / Driver’s License and ID Cards and Real ID Act**

Heard and held in House State Affairs on 2/7.

Establishes compliant and non-compliant state-issued identification cards and driver’s licenses. Compliant ones meet requirements of Public Law 109-13, Division B-the REAL ID Act of 2005. Non-compliant ones do not. The bill establishes fees for both and extends the renewal period for a driver’s license from 5 to 8 years.

**HCR 1 / Amend Uniform Rules: Abstain from Voting**

Moved from House Judiciary on 2/3. Referred to House State Affairs.

The bill would change the standard from *unanimous consent* to a *majority vote* when a member seeks to abstain from voting due to a substantial conflict of interest.

**SENATE COMMITTEE OR FLOOR ACTION**

**CSSB 5(STA) / Political Contribution Limits/Prohibition**

Bill moved from Senate State Affairs on 2/9. Scheduled in Judiciary on 2/15.

Prohibits legislators from spending campaign funds for political action groups; prohibits lobbyists from contributing to a group (and defines group) controlled by a legislator or candidate for the legislature unless the person will represent the same district in which the lobbyist is eligible to vote.

**SB 6 / Industrial Hemp Production related to Controlled Substances**

Heard and held in Senate Resources on 2/8. Next scheduled on 2/13 and 2/15. Classifies Industrial Hemp as an agricultural crop in Alaska; lists criteria under which a person may register to produce it; lists conditions under which hemp seeds and reconditioned hemp may be kept; authorizes the Division

of Agriculture to create regulations; defines industrial hemp to mean the plant Cannabis Sativa containing less than 0.3 percent delta-9 tetrahydrocannabinol (THC); removes it from the list of controlled substances and removes it from marijuana definitions

**SB 20/ List U-47700 as a Controlled Substance**

Amended and Passed from Senate HSS on 2/8. Waiting CS and transferal to JUD.  
Lists “Pink” as a controlled substance.

**SB 32 / Prescriptions for Biological Products**

Heard and held in Senate HSS on 2/10.

**HB 78 / Indigenous Peoples Day**

Referred to Senate C&RA on 2/6. (Passed House Floor on 2/3)  
Establishes the second Monday of October of each year as Indigenous Peoples Day

**COMMITTEE HEARINGS**

**MONDAY – Feb. 13**

JOINT (HOUSE-SENATE) EDUCATION Committee

8:00 AM Capitol Room 106 – Testimony <Invitation only>

~ School Board Fly-in ~

**Annual Report: State Board of Education & Early Development** – James Fields, Chair  
**Presentation: Alaska Association School Boards** – Norm Wooten, Exec. Director

JOINT (HOUSE-SENATE) HSS Committee

1:30 PM Capitol Room 106 – Testimony <Invitation only>

**Presentation: The Science of Addiction** by Joshua Sonkiss, MD

(HOUSE) Judiciary Committee

1:30 PM Gruenberg Room 120

**HB 8 / Enforcement of Foreign Protective Orders**

(HOUSE) LABOR & COMMERCE Committee

3:15 PM Barnes Room 124 <Public Testimony>

**HB 90 / Occupational Licensing Fees; Investigation Costs**

(SENATE) Resources Committee

3:30 PM Beltz Room 105 (TSBldg) – Testimony <Invitation only>

**SB 6 / Industrial Hemp Production related to Controlled Substances**

**TUESDAY – Feb. 14**

(HOUSE) Miscellaneous Meeting

12:00 PM Butrovich Room 205

**Lunch & Learn: Food Security and Food Assistance Programs in Alaska**

by Sarra Khlifi, Food Bank of Alaska and Ellen Teller, Food Research & Action Center  
Sponsored by Sen. Begich and Rep. Spohnholz

(SENATE) LABOR & COMMERCE Committee

1:30 PM Beltz Room 105 (TSBldg) <Public Testimony>

SB 29 / Repeal Workers’ Compensation Appeals Commission

SB 15 / E-Cigs: Sale to and Possession by Minors

(HOUSE) HSS Committee

3:00 PM Capitol Room 106 – Testimony <Invitation only>

**Presentation: Substance Abuse Treatment System in Alaska**

by Kate Burkhart, Exec. Director, Alaska Mental Health Board and Alaska Board on Alcoholism and Drug Abuse, and Tom Chard, Exec. Director, Alaska Behavioral Health Assoc.

(HOUSE) STATE AFFAIRS Committee

3:00 PM Gruenberg Room 120 <Public Testimony>

**HB 91 / APOC Registration Fees; Lobbyist Tax**

(SENATE) STATE AFFAIRS Committee

3:30 PM Butrovich Room 205 – Testimony <Invitation only>

**SB 48 / Insurance for Dependents of Deceased Fire/Police**

**SJR 2 / Constitutional Amendment: Appropriation Limit**

**WEDNESDAY – Feb. 15**

(HOUSE) Education & Early Development Finance Subcommittee

8:00 AM Capitol Room 106 – Testimony <Invitation only>

**Alaska Postsecondary Education Commission**

- Program Administration and Operations -WWAMI Medical Education

(HOUSE) LAW Finance Subcommittee

12:15 PM Gruenberg Room 120

**Overview: Child Protection Section**

(SENATE) JUDICIARY Committee

1:30 PM Beltz Room 105 (TSBldg)

**SB 55/Omnibus Crime/Corrections**

**SB 5 / Political Contribution Limits/Prohibition** <Pending Referral>

(HOUSE) LABOR & COMMERCE Committee

3:15 PM Barnes Room 124

**HB 110 / Massage Therapy Licensing; Exemptions** <Public testimony>

(SENATE) Resources Committee

3:30 PM Beltz Room 105 (TSBldg) <Public testimony>

**SB 6 / Industrial Hemp Production related to Controlled Substances**

**THURSDAY – Feb. 16**

(HOUSE) Miscellaneous Meeting

12:00 PM Butrovich Room 205?? (Check BASIS)

**Lunch & Learn – Citizens United for Safety & Protection**

“How Criminal Justice responses may negatively impact women impacted by Sex Trafficking”

Expert on Sex Trafficking and Sex Work author: Dr. Alexandra Lutnick, will be the speaker.

Sponsored by Rep. Matt Claman

(HOUSE) FINANCE Committee

1:30 PM H. Finance Room 519

**Overview: Governor’s Budget Amendments on HB 57 and HB 59**

– Pat Pitney, Director, OMB

(SENATE) FINANCE Committee  
1:30 AM S. Finance Room 532 <Added meeting>  
**Dept. Education & Early Development (DEED): FY18 Operating Budget Overview**

(HOUSE) HSS Committee  
3:00 PM Capitol Room 106 – Testimony <Invitation Only>  
**Presentation: PCG Report Covering AK Psychiatric Institute Privatization**  
– by Dept. of HSS – Continued from 2/7/17 –  
Note: Presentation will end prior to State of DHSS Finance Subcommittee Meeting scheduled for 3:30.

(HOUSE) STATE AFFAIRS Committee  
3:00 PM Gruenberg Room 120  
**HB 20 / Solemnize Marriage: Elected Officials** <Public testimony>

(HOUSE) HSS Finance Sub-committee  
3:30 PM Capitol Room 106 – Testimony <Invitation Only>  
**Overviews: Health Care Services and Public Health** –

### **FRIDAY – Feb. 17**

(HOUSE) Education & Early Development Finance Subcommittee  
8:00 AM Capitol Room 106 – Testimony <Invitation Only>  
**Revenue Sources: REAA Fund, Public School Trust Fund, Higher Education Fund**  
Follow up on previous budget items: **Early Learning Programs**  
Inviting testimony on: **Best Beginnings, Parents as Teachers, and from DEED: Pre-K grants**

(SENATE) FINANCE Committee  
8:30 AM S. Finance Room 532 <Note time change>  
**Dept. of Health & Social Services: FY18 Operating Budget Overview**

(SENATE) HSS Finance Sub-committee  
11:00 PM S. Finance Room 532  
**Budget Overview**

(SENATE) JUDICIARY Committee  
1:30 PM Beltz Room 105 (TSBldg)  
**SB 54/ Crime and Sentencing**

### **SATURDAY – Feb. 18**

(HOUSE) C&RA Meeting  
10:00 AM Barnes Room 124  
**HB 7 / Display of Photos of Marked Ballot**

(HOUSE) STATE AFFAIRS Committee  
11:00 AM Gruenberg Room 105  
**HB 44 / Legislative Ethics: Voting and Conflicts**

(HOUSE) MISC. Meeting  
12:00 PM Fairbanks Assembly Chambers  
**Public Testimony regarding OCS** – sponsored by Rep. Wilson  
– Testimony <In person only> No call in



## **WEBSITES OF INTEREST**

**2017 Legislators contact information**

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

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

**2017 1<sup>st</sup> Session Staff contact list** [http://akleg.gov/docs/pdf/session\\_phone\\_list.pdf](http://akleg.gov/docs/pdf/session_phone_list.pdf)

**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>

**~ End of Report ~**

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