

2016 CAPITOL CURRENTS

29th Alaska State Legislature ~ 2nd Session

Thirteenth Edition – 4/18 to 5/12/16

May 12th – Day 115

~ Legislature still trying to find common ground on several fronts ~

HIGHLIGHTS

Chances are high this extended session will go to the 121st day. Then what? If we still don't have a budget, they could extend themselves another 10 with a two-thirds vote.

Or, the governor could call them back for a special session of his choosing.

Each extra day costs the state \$12,500 in payments to lawmakers.

Since the Capitol is under renovation, the Legislature moved to new quarters. The gymnasium in the Terry Miller Building was transformed into a floor session space.

Offices for legislators and staff are now in the Bill Ray Center. Additional space was created for the Finance and conference committees.

Meanwhile, the governor, lieutenant governor, and some legislators are now in the Community Building on Third Street.

After the governor's assertion that he would veto the purchase of the Anchorage LIO on 4th Ave., legislators considered a new proposal to buy a building owned by Wells Fargo & Co. near the intersection of Benson Boulevard and Minnesota Drive in Spenard.

The 47,000-square-foot, four-story office complex went on sale about a month ago. Legislative Council authorized the chair to negotiate with the owner for a price not to exceed \$12.5 million, almost a third of what the LIO would have cost.

On the 91st day of session, Rep. Craig Johnson introduced HB 379 – Eliminate automatic salary increases for state employees. The bill did get an extensive hearing in Finance, but has since been relegated to the trash heap.

BUDGET ISSUES

The conference committee on the operating budget is still open. Since the 90th day, members have met only once to settle their differences. No one knows why they haven't met more often.

Once their work is done, it will go back to the House and Senate for approval. Since revenue can't match expenses as proposed, they'll vote to access the Constitutional Budget Reserve (CBR).

They need a three-quarter vote in both the House and Senate. The Senate Majority has 16 out of 20, but the House Majority only has 27 members - three votes shy of $\frac{3}{4}$. This gives the House Minority significant leverage for priorities.

If they can't get 30 votes for the CBR, they'd have to draw \$3.9 billion from the Permanent Fund Earnings Reserve Account (ERA), leaving \$3.8 billion for next year.

No one wants to pursue this worst-case scenario.

The way forward towards a fiscal plan may well be the governor's oil tax credit proposal (**HB 247**). The House has yet to pass this on after exhaustive debate in Finance and a rewrite under discussion in Rules. The oil tax credits are one of the largest expenses in the entire budget.

The website below will give you access to documents explaining what this proposal will do and how much money it saves the state.

http://www.legis.state.ak.us/basis/get_complete_bill.asp?session=29&bill=HB247

HB 245 also is still in play and part of the governor's package to close the \$4 billion budget gap. This bill will restructure the Alaska Permanent Fund to provide a steady revenue stream to help pay for government and protect the Permanent Fund Dividend.

A statewide tax and a variety of other taxes on motor fuel, alcohol, tobacco, marijuana, mining, and fisheries are in play. The governor has said all along he needs some of those measures this year.

SB 138 / FY17 Capital Budget

The Capital budget – A new draft has just been released and is under consideration in Senate Finance.

EDUCATION ISSUES

After three-failed attempts, the state House of Representatives passed a bill placing restrictions on sexual education in Alaska schools. In a 21-18 vote, the House finally approved HB156 – a sprawling education bill.

The sex education language was introduced by Senator Dunleavy as part of his years-long effort to bar Planned Parenthood's sexual health educators from Alaska schools and make it harder for youth to access the information on safe sex and healthy relationships.

HB 156 would make sex education the most difficult and burdensome topic to teach in Alaska – school boards now must individually approve the curriculum and the visiting volunteer.

For many, this is especially disheartening in a state that already leads the country in rates of sexually transmitted diseases and has a high rate of teen pregnancy. The Governor will decide if this bill becomes law.

The state Board of Education and Early Development have announced the finalists for Education commissioner - Robert Boyle, superintendent of the Ketchikan Gateway Borough School District; Michael Johnson, superintendent of the Copper River School District; Stewart McDonald, superintendent of the Kodiak Island Borough School District; and Susan McCauley, the current interim education commissioner.

HEALTH & SOCIAL SERVICES ISSUES

As previously reported, the Senate failed to concur with the House changes for **SB 165** – Minor consuming and marijuana background checks. After the 90th day, the Senate reconsidered, rescinded their action and voted to pass and send it to the Governor.

Senate Majority Leader John Coghill said Monday he recommended lawmakers drop their lawsuit challenging Governor Bill Walker's authority to expand Medicaid.

The House disagrees and says it will file an appeal.

Moda Health will not offer individual policies on the insurance marketplace in Alaska next year, saying the state's market is financially unsustainable without reform. Alaskans will have just one choice of insurer for next year.

NATURAL RESOURCES

HB 137 - Hunting, Fishing, Trapping License Fees Increase bill. A conference committee has worked out a compromise to address a last minute amendment attached in the Senate after midnight of the 90th day. This bill is projected to raise an additional \$9 million in revenue for the state.

PUBLIC SAFETY

House members spent hours and hours over several days this past week debating 44 amendments to **SB 91**, a restructuring of the state's criminal justice system. They spent another day on speeches.

The final vote was 28 – 11. Since changes were made to the Senate version, it will return to that body for concurrence. Expecting that vote this week.

The bill was inspired by the work of the Alaska Criminal Justice Commission. The intention is to reduce jail sentences for nonviolent criminals in an effort to reduce the state's jail population, cut costs, and decrease the number of people who return to jail after release.

GOVERNOR'S CORNER

<http://gov.alaska.gov>

The governor ordered all Alaska flags to be lowered in honor of Retired Superior Court Judge Ben Esch, who passed away last week with leukemia. His wife Jana Varrati survives him.

Governor Walker and Lt. Governor Mallott announced the newly appointed members of the Governor's Tribal Advisory Council. The 11 member advisory council met at the Alaska Native Tribal Health Consortium in Anchorage to set goals and priorities.

First Lady Donna Walker has announced the recipients of the 2016 First Lady's Volunteer of the Year Awards. More than 90 Alaskans from around the state were nominated. Winners were honored during a luncheon at the Governor's House this past week.

For a list of award recipients and advisory members, click on the governor's website above.

BILLS ON THE MOVE

*Check **BASIS** to see what happened to "your" bill*

AWAITING TRANSMITTAL TO THE GOVERNOR

SB 165 / Alcohol: Board; Minor Consuming; Marijuana Checks

http://www.legis.state.ak.us/basis/get_complete_bill.asp?session=29&bill=SB165

Version 29 - LS1384E.A - Awaiting transmittal to the governor as of 4/22.

HB 156 / School Accountability Measures; Federal Law; Restrict Sex Education

http://www.legis.state.ak.us/basis/get_complete_bill.asp?session=29&bill=HB156

Version 29-LS0566\Q.A - Conference Committee recommended Senate version Q. Senate passed bill on a vote of 14 – 4. House FAILED again to pass with vote of 20 – 19 on 5/4. The previous action was rescinded. The House then PASSED this bill with vote of 21 – 18 on 5/5. Effective date failed to pass the House – awaiting transmittal to governor as of 5/5.

CONFERENCE COMMITTEES

HB 75 / Marijuana Registration; Clubs; Muni’s; Local Option Election

http://www.legis.state.ak.us/basis/get_complete_bill.asp?session=29&bill=HB75

Version 29 - LS0345\AA -Still pending in Conference Committee.

HB 256 & HB 257 / FY17 Operating & Mental Health Budgets

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

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

Version 29 - GH2740\U and Version 29-GH2742\N -Still pending in Conference Committee.

SENATE COMMITTEE OR FLOOR ACTION

HB 245 / Permanent Fund: Deposits; Dividend; Earnings

http://www.legis.state.ak.us/basis/get_complete_bill.asp?session=29&bill=SB128

Version 29 - GS2859\A -Pending in Senate Finance.

HB 27 / DHSS Duties; CINA; Foster Care; Adoption

http://www.legis.state.ak.us/basis/get_complete_bill.asp?session=29&bill=HB27

Version 29 - LS0176\S -Pending in Senate Rules.

HB 324 / Violent Crimes Compensation Board Membership

http://www.legis.state.ak.us/basis/get_complete_bill.asp?session=29&bill=HB324

Version 29 - LS1479\W -Pending in Senate Rules.

COMMITTEE HEARINGS

<http://www.legis.state.ak.us/basis>

(On 24-Hour Rule – check House and Senate committee schedule on BASIS)

~ End of Report ~

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