

# 2017 CAPITOL CURRENTS

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

Fifth Edition – 2/13 to 2/19/17

– 55 Days to go! –

~ *Disaster declaration to combat Alaska's public health crises of opioid addiction* ~

## HIGHLIGHTS

The governor has declared a public health crisis in order to combat the state's opioid epidemic. The disaster declaration establishes a statewide Overdose Response Program under Alaska's Chief Medical Officer and enables wide distribution of the life-saving drug, naloxone.

As part of his plan to build a safer Alaska, Governor Walker signed Administrative Order 283, outlining the next steps to address the growing heroin and opioid epidemic in Alaska.

He will also introduce legislation in the coming weeks that provides a longer-term solution to the state's opioid and heroin abuse epidemic.

Representative Claman sponsored "How Criminal Justice Responses May Negatively Impact Women Impacted by Sex Trafficking", a lunch and learn, with Citizens United for Safety and Protection.

The speaker described law enforcement officers committing sexual acts with those being trafficked before arresting them as a barrier to those seeking help.

The speaker also emphasized the diversity of those under the age of 18 who work in the sex trade—boys, girls, transgendered youth, all races and ethnicities; some are trafficked by "pimps", some by their parents or caretakers, some on their own trade sexual acts for shelter or food.

The Alaska Railroad has announced it will eliminate 49 positions or 8 percent of its workforce as it struggles with revenue declines.

Since 2008, the railroad has seen a 44 percent drop in freight tonnage and a net loss from operations since 2015. The corporation's budget reflects a loss of \$4.9 million for 2017.

## BUDGET ISSUES

The House's majority coalition revealed its proposal (HB115) to help resolve the state's \$3 billion deficit this past week. It would use one-third of the Permanent Fund's earnings to pay dividends estimated at \$1,100.

The remaining two-thirds, about \$1.75 billion a year, would pay for state services.

The total revenue available from the \$57 billion fund would be 4.75 percent of its overall market value. This is an endowment-like approach that's long been endorsed by the Fund's trustees.

The tax provisions in the new legislation would apply to income earned in Alaska by residents and nonresidents alike, with the rate set at 15 percent of the person's federal tax bill.

The House budget subcommittees are slated to start closeouts next week. Keep alert for opportunities to testify on closeout proposals and amendments—hearings are scheduled throughout the week.

Senator Dunleavy of Wasilla, has launched a petition drive and campaign against efforts to fix Alaska's budget deficit with money that would otherwise go to residents' PFD's.

However, both majorities are considering proposals that could restructure the Fund by diverting some of its investment earnings to help cover state spending. The millions of dollars in touted money saved from a new audit program for catching permanent fund fraud hasn't lived up to its billing.

LexisNexis was given a contract by the Legislature to stop ineligible dividend payments, but hasn't had the kind of success that was hoped for.

Senator Cathy Giessel has scaled back her proposal for a massive hike on Alaska's studded tire tax. Originally it increased the state user fee to \$75 a tire, up from the current \$5 each. The new fee introduced is now calling for a \$50 tax per tire instead, or \$200 for a full set of four.

### **PUBLIC SAFETY ISSUES**

In 2014 there were 101 Village Public Safety Officers (VPSOs) working in Alaska. The count is now down to 53 personnel. The employers of these VPSOs have struggled to recruit officers, which isn't unique to Alaska, as nationwide police forces can't find enough qualified officers.

Some of the officers themselves are growing frustrated with a long lag in enactment of a 2014 Alaska law intended to allow selected VPSOs to, for the first time, carry firearms on the job.

An Anchorage lawmaker says the cash-strapped state could better serve crime victims by reducing the budget for Alaska's Office of Victims' Rights (OVR) and using the savings to pay for more criminal prosecutors. The budget for OVR has held steady at \$900,000 over the last several years.

Ninety-five percent of Americans now live in states or territories that permit, to varying degrees, legal access to medical marijuana and/or cannabis derivatives, with even more states considering expanded access this year.

Stating that it's time for Congress to catch up and begin conducting meaningful discussions on the future of marijuana policy in the United States, Don Young joined fellow lawmakers from Oregon, California and Colorado to launch the Congressional Cannabis Caucus.

The bipartisan Caucus will provide a forum for members of the U.S. House of Representatives to “work together to establish a better and more rational approach to federal cannabis policy”.

### **NATURAL RESOURCES**

It was only four votes, but it represented the Alaska Legislature's biggest opposition to drilling in the Arctic National Wildlife Refuge (ANWR) in 12 years. The House voted 31-4 in favor of HJR 5, a sternly worded letter that asks Congress to open ANWR's coastal plain to oil and gas development.

The U.S. House has plans to repeal an Alaska-specific wildlife regulation issued by the Interior Department that has put federal regulators at odds with state game managers.

The bill would permanently revoke a regulation that overrides state game management plans with regard to managing predators such as wolves and bears.

## **GOVERNOR'S CORNER**

<http://gov.alaska.gov>

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

Governor Walker ordered all Alaska Flags be lowered today in honor of former Representative M. Michael Miller of Juneau, who passed away last week.

Rep. Miller served in the Alaska Legislature from 1971 to 1986. A longtime Juneau resident, Miller moved to Alaska in 1954.

In addition to serving in the Alaska Legislature, he served on the City and Borough of Juneau Assembly and the Alaska Department of Corrections Parole Board.

## **IMPORTANT DATES**

Legislators will be available to constituents in their home communities on the following days:

### **February 19**

\*Sen. Mia Costello, Anchorage LIO, 2:00-4:00 p.m.

### **February 25**

\*Anchorage Caucus, Anchorage LIO, 10:00 a.m. - Noon

\*Rep. Ivy Sponholz, Rep. Gabrielle LeDoux, Bartlett High, 2:30 - 4:00 p.m.

### **February 25**

\*Mat-Su Delegation Town Hall, Wasilla Area Senior, 9:00 a.m.

### **February 25**

\*Sen. Peter Micciche, Rep. Mike Chenault, Rep. Gary Knopp, Kenai Borough Assembly Chambers, 10:00 a.m. – Noon

### **March 11**

\*Rep. Geran Tarr & Sen. Tom Begich, Clark Middle School, 2:00 - 4:00 p.m.

## **NEW BILLS OF INTEREST**

<http://www.akleg.gov>

### **Health Care Issues**

HB 123 / Spohnholz – Disclosure of Health Care Costs

SB 62 / D. Wilson – Repeal Certificate of Need Program for Health Care Facilities

SB 63 / Micciche – Regulation of Smoking in Certain Places

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### **Public Safety Issues**

HB 127 / Kawasaki – Criminal Convictions Overturned and past PFD's Received

HB 118/ Kawasaki - Compensation for Wrongful Conviction

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## **Constitutional Issues**

SJR 6 / Wielechowski – Amend U.S. Constitution to Prohibit Unlimited Donations to Campaigns

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## **Other Issues**

HCR 6 / Johnson – Restricting New Legislation to Budget Related

## **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. 20 – Feb. 25, 2017

[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 [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**

Moved from House Judiciary on 2/15. In Rules waiting for floor schedule.

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**

Moved from House Finance on 2/17. In Rules waiting for floor schedule.

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.

**HB52 Kawasaki – Pre-Elementary School Programs and Plans**

Heard and held in House Education on 2/8

Adds a program provided by a school district for students three through five years of age to the list of pre-elementary programs in elementary schools.

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

Heard and held in House L&C on 2/13

Spreads the total cost of investigation charges across all licensees regardless of profession. This new investigative surcharge would be in lieu of the current amount that licensees pay in their overall license fee.

**HB110/ Massage Therapy Licensing; Exemptions**

Heard and held in House L&C on 2/15 and 2/17

Gives authority to the Board of Massage Therapists to regulate massage therapy establishments; raises the number of hours of in-class supervised instruction and clinical work needed for a license from 500 to 625 hours; reduces the hours of safety education covering blood borne pathogens and universal precautions from four hours to two; and adds a process for therapists to apply to the Board for an exemption from certain licensure requirements.

**SENATE COMMITTEE OR FLOOR ACTION**

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

Heard and held 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**

Moved from Senate Resources on 2/15; scheduled Judiciary on 2/20; a Senate Finance Committee referral was added on 2/17.

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 L 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 32 / Prescriptions for Biological Products**

Moved from Senate HSS on 2/15. Referred next to the Senate L&C.

An amendment was voted down that would as a condition of dispensing an FDA approved interchangeable biologic in accordance with a valid prescription, would require a pharmacist to contact the prescriber for consent and direction beyond what the prescriber has already provided in the prescription he or she wrote.

**SB 48/ Insurance for Dependents of Deceased Fire/Police-companion to HB 23**

Heard and held in Senate State Affairs on 2/14

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.

**SB 55 / Omnibus Crime/Corrections**

Heard and held in Sen. Judiciary on 2/15

Technical amendments to last year's crime bill-SB91.

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

Heard and held in Senate State Affairs on 2/14

Proposes an amendment to Alaska’s Constitution to cap certain appropriations made for a fiscal year to not exceed four billion two hundred fifty million dollars by more than fifty percent of the cumulative change in population and inflation since July 1, 2020 derived from federal indices as prescribed by law. If the resolution passes, the amendment will be placed before the voters of the state at the next general election.

**COMMITTEE HEARINGS**

**MONDAY – Feb. 20**

(HOUSE) Education & Early Development Finance Subcommittee

8:00 AM Capitol Room 106

**Proposed Budget Amendments** <Public Testimony>

If no one is signed up to testify by 8:15 AM, public testimony will be closed and the meeting adjourned. Comments received electronically by 12:00 (Noon) February 20, 2017 will be distributed to committee members.

A person wishing to testify who lives in a community with a legislative information office but is unable to access it during the specified time period, may submit written testimony to [Rep.Dan.Ortiz@akleg.gov](mailto:Rep.Dan.Ortiz@akleg.gov).

(SENATE) JUDICIARY Committee

1:30 PM Beltz Room 105 (TSBldg)

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

**SB 6 / Industrial Hemp Production** <Pending Referral>

(HOUSE) LABOR & COMMERCE Committee

3:15 PM Barnes Room 124

**HB 79 / Omnibus Workers’ Compensation** <Public Testimony>

**TUESDAY – Feb. 21**

(SENATE) Education & Early Development Finance Subcommittee

7:30 AM Butrovich Room 205

**Overview of the Governor’s FY18 Budget**

By Dr. Michael Johnson, Commissioner

Sana Efird, Deputy Commissioner

Heidi Teshner, Director, Div. of Administrative Services

(HOUSE) Public Safety Finance Subcommittee

9:00 AM Barnes Room 124

**Amendment Proposals** – Testimony <Invitation only>

(HOUSE) FINANCE Committee

1:30 PM H. Finance Room 519

**HB 115 / Income Tax; PFD Credit; Permanent Fund Income**

**HB 57 / FY18 Operating Budget**

**HB 59 / FY18 Mental Health Budget**

Subcommittee Reports; Amendment Proposals as available

(SENATE) Health & Social Services Finance Subcommittee

1:30 PM Senate Finance 532

**Update on Senate Bill 74 (2016) Medicaid Reform**

(SENATE) LABOR & COMMERCE Committee

1:30 PM Beltz Room 105 (TSBldg)

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

<Public Testimony>

(HOUSE) STATE AFFAIRS Committee

3:00 PM Gruenberg Room 120

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

**HB 44 / Legislative Ethics: Voting and Conflicts**

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

(HOUSE) Health & Social Services Finance Subcommittee

3:30 PM Capitol Room 106

**Draft Closeout** – Testimony <Invitation only>

(SENATE) C&RA Committee

3:30 PM Beltz Room 105 (TSBldg)

**SB 7 / Museum Construction Grant Program**

**HB 78 / Indigenous Peoples Day**

(SENATE) STATE AFFAIRS Committee

3:30 PM Butrovich Room 205

**SR 3/ February 2017: Black History Month**

<Public Testimony>

(HOUSE) STATE AFFAIRS Committee

5:30PM Gruenberg Room 120

<Please note time change>

**HB 44 / Legislative Ethics: Voting and Conflicts**

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

### **WEDNESDAY – Feb. 22**

JOINT (HOUSE-SENATE) EDUCATION Committee

8:00 AM Capitol Room 106

**Recruitment and Retention of Alaska Teachers**

**Presentation: Northwest Regional Educational Laboratory**

– Testimony <Invitation Only>

JOINT SESSION of the Legislature

11:00 AM House Chambers

**Annual Address by the Honorable Lisa Murkowski, U.S. Senator**

(HOUSE) Miscellaneous Meeting

12:00 PM Capitol Room 106

**Lunch & Learn – What does it Take? Ending Domestic and Sexual Violence in Alaska**

By Carmen Lowry, PhD; Wendi Seibold, MA, PhD; and Lindsey Blumenstein, PhD

**Alaska Network on Domestic Violence & Sexual Assault (ANDVSA)**

– Testimony <Invitation Only> Sponsored by Rep. Kawasaki

(HOUSE) FINANCE Committee  
1:30 PM H. Finance Room 519  
**HB 24 / List U-47700 As A Controlled Substance**  
**HB 57 / FY18 Operating Budget**  
**HB 59 / FY18 Mental Health Budget**  
Subcommittee Reports; Amendment Proposals as available

(HOUSE) JUDICIARY Committee  
1:30 PM Gruenberg Room 120  
**HB 69 / Repeal Workers' Comp Appeals Commission**

(SENATE) FINANCE Committee  
1:30 PM S. Finance Room 532  
**SB 21 / Permanent Fund: Income; POMV; Dividends** <Pending Referral>  
**SB 26 / Permanent Fund: Deposits; Dividend; Earnings** <Pending Referral>

**THURSDAY – Feb. 23**

(HOUSE) Public Safety Finance Subcommittee  
9:00 AM Barnes Room 124  
**Closeout** – Testimony <Invitation only>

(HOUSE) FINANCE Committee  
1:30 PM H. Finance Room 519  
**Discussion: Permanent Fund Forecasting Methodology, Variability, and Volatility**  
**Presentation: Realized and Unrealized Earnings – by Callan Associates, Inc.**  
**HB 57 / FY18 Operating Budget**  
**HB 59 / FY18 Mental Health Budget**  
Subcommittee Reports; Amendment Proposals as available

(SENATE) Health & Social Services Finance Subcommittee  
1:30 PM Senate Finance 532  
**Maintenance of Effort for Public Assistance**

(HOUSE) STATE AFFAIRS Committee  
3:00 PM Gruenberg Room 120  
**HB 1 / Election Registration and Voting**

(HOUSE) HSS Finance Sub-committee  
3:30 PM Capitol Room 106  
**Closeout** – Testimony <Invitation Only>

(SENATE) C&RA Committee  
3:30 PM Beltz Room 105 (TSBldg)  
**SB 7 / Museum Construction Grant Program**  
**HB 78 / Indigenous Peoples Day**

(SENATE) STATE AFFAIRS Committee  
3:30 PM Butrovich Room 205  
**SB 34 / Driver's License and ID Cards and Real ID Act** – Testimony <Invitation Only>



## **FRIDAY – Feb. 24**

(HOUSE) Education & Early Development Finance Subcommittee

8:00 AM Capitol Room 106

**Closeout** – Testimony <Invitation only>

(SENATE) EDUCATION Committee

8:00 AM Butrovich Room 205

**Public Hearing on Virtual Education in Alaska** – Public Testimony

- Kenai Peninsula Borough School District

(SENATE) FINANCE Committee

8:30 AM S. Finance Room 532

**Projections and Forecasting Alaska Permanent Fund**

By Mr. Greg Allen, President and Director of Research, Callan Associates

Mr. Steve Center, CFA, Senior Vice President Callan Associates

JOINT SESSION of the Legislature

10:30 AM House Chambers <Please note time change>

**Annual Address by the Honorable Dan Sullivan, U.S. Senator**

(HOUSE) FINANCE Committee

1:30 PM H. Finance Room 519

**HB 115 / Income Tax; PFD Credit; Permanent Fund Income**

Subcommittee Reports; Amendment Proposals as available

(HOUSE) LABOR & COMMERCE Committee

3:15 PM Barnes Room 124

**HB 38 / Workers' Compensation: Death Benefits** <Public Testimony>

## **SATURDAY – Feb. 25**

(HOUSE) Public Safety Finance Subcommittee

12:00 PM Barnes Room 124 - **Closeout**

## **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>

2017 Senate Finance Sub-committee Members <http://akleg.gov/docs/pdf/SFINSubcmte.pdf>

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

View specifics for the Capital and Operating Budgets.

**~ End of Report ~**

Contact: Caren Robinson ([carenr@gci.net](mailto:carenr@gci.net))