

# 2017 CAPITOL CURRENTS

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

Ninth Edition – 3/13 to 3/19/17

– 27 Days to go! –

~ *Budget, Budget, Budget* ~

## HIGHLIGHTS

The FY 2018 operating and mental health budgets dominated the halls this week. The House Majority brought **HB57 and 59** to the floor and Senate Finance took public testimony on their versions of the bills.

Initiated by the House Rules chair, action was taken to limit debate on **HB 57** because of the flurry of amendments being proposed by the Minority. When they finished with the amendments just past their deadline of 24 hours, a total of 134 amendments had been debated and voted on.

The budgets are scheduled for final passage on Monday.

Public testimony in the Senate highlighted the benefits of funding Best Beginnings, Parents as Teachers, Head Start and Public Radio—all slated for cuts in the Senate Finance Subcommittee reports. While the education budget report was not available, Co-chair Hoffman explained their intent to reduce education funding by approximately 5%.

Among the proposed reductions in the Senate is \$1.1 million from the state's \$30 million public health nursing budget.

There's also \$1 million — plus \$2 million from the federal government — sliced from prescription drugs offered as an "optional" service under the Medicaid health-care program for the poor and disabled.

Senate Finance will be working through amendments early next week and may pass the budgets from committee by week's end.

Senate Finance also passed SB 26. Originally, the Governor's permanent fund restructuring bill, Finance amended several elements of the Senate Majority's fiscal plan- **SB70**- into it. Explanation of the CS may be seen here: [Sectional Analysis](#)

Also on the table is an oil tax bill along with what looks like the tripling of the gas tax from 8 cents to 24 cents a gallon. Time will tell if these elements of a long-range fiscal plan will pass muster with a majority of lawmakers.

## BUDGET ISSUES

The Alaska House approved a sharp cut in its daily expense payments for next year. During Floor debate on the operating budget, they approved an amendment to cut more than half of each lawmaker per-diem payments.

Over in the Senate, this proposal to slash legislators' expense checks appears to face stiff opposition from the leader of the Senate. Senator Kelly dismissed the plan saying, "I don't apologize for my compensation." The cut in annual payments to most legislators would be roughly \$14,000.

A new version of **HB 111** (oil tax legislation) has a provision that would phase out the majority of the cash subsidies and replace it with one in which oil companies keep their losses on their ledgers until they start owing taxes.

The companies would get to keep 50 percent of losses on their books, with interest for up to seven years, to be deducted from their taxes once they begin producing enough oil to have a tax bill.

This bill next goes to the House Finance Committee and is already scheduled for seven hearings this coming week.

On a federal level, the first released budget by the new administration was full of cuts to programs in Alaska. The proposal would zero out the Denali Commission, the Essential Air Service, LIHEAP – a program that helps people pay for high heating bills.

The EPA's funding for water projects would be eliminated as well as all weatherization programs.

The list goes on and on.

### **EDUCATION ISSUES**

The Alaska Council of School Administrators has put out an Action Alert. They are hearing that the Senate Finance Committee is planning to cut \$60 million as a reduction to the BSA (Education Foundation Formula) and Pupil Transportation.

In another move, the Senate Majority has also proposed to cut the University of Alaska's unrestricted general fund budget by 5 percent, or \$16.3 million.

### **HEALTH & SOCIAL SERVICES ISSUES**

Alaska would be the hardest hit state in the nation under the new U.S. House Republican health plan, according to Trevor Storrs, executive director of the Alaska Children's Trust.

In 2017, premiums on the health exchange have gone up an average 29 percent in Alaska to \$760, according to Alaska's DHSS. If the current plan under consideration to replace the Affordable Care Act passes, then tax credits are likely to drop dramatically for lower income Alaskans.

According to the Centers for Disease Control and Prevention, more than 33,000 people died from opiate overdoses in 2015, a record. Opioids now kill more people than car accidents, and in 2015 the number of heroin deaths nationwide surpassed the number of deaths from gun homicides.

### **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 and Lt. Governor Mallott attended the D.A.R.E. culmination ceremony for 4th and 5th grade students in Juneau on Wednesday, March 15th. Launched in 1983, D.A.R.E. is a comprehensive K-12 education program taught in thousands of schools in America and 52 other countries. D.A.R.E. curricula address drugs, violence, bullying, internet safety, and other high risk circumstances that today are too often a part of students' lives

### 2017 Choose Respect Poster Contest

In commemoration of Domestic Violence Awareness Month (October 2017) and Sexual Assault and Child Abuse Awareness Month (April 2017), the Governor's Office invites all Alaskan youth to engage in creating a positive message about respect and healthy relationships.

All Alaskan school children from kindergarten through high school are eligible to participate. Home schools, alternative, and traditional schools are all welcome.

Posters must be received either electronically or via mail by **April 14, 2017**. Questions can be directed to Karen Obermann at 907-269-7450. Posters may be emailed to [karen.obermann@alaska.gov](mailto:karen.obermann@alaska.gov) or mailed to: Office of the Governor, Attention: Poster Contest, 550 West Seventh Avenue, Suite 1700, Anchorage, AK 99501

## NEW DOCUMENTS

*~ Reports noted in House/Senate Journals are on file with the House Clerk or Senate Secretary ~*

- State Commission for Human Rights 2016 Annual Report

## NEW BILLS OF INTEREST

<http://www.akleg.gov>

### Health Care Issues

HB 184 / Josephson – Discrimination: Gender ID; Sexual Orientation

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### Election/Voter Issues

HB175 / Fansler – U.S. President Election Popular Vote Compact

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## WAYS TO FOLLOW HEARINGS

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

Website-Daily Committee Hearings for March 20 – March 26, 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

#### [HB 1](#) / Election Registration and Voting

Heard and held in House State Affairs on 3/16. Next scheduled on 3/21.

Allows qualified voters to register to vote within 30 days or on the day of an election to vote a questioned ballot; enhances online voter registration with electronic signatures to make the registration process quicker and easier; ensures the same early voting locations are available during every election; creates an option for permanent absentee voting for individuals that plan to vote by mail every year; and clarifies terminology for early voting to remove confusion between early voting and absentee in-person voting.

#### [CSHB 20{STA}](#) / Solemnize Marriage: Elected Officials

Heard and moved from House Judiciary on 3/8. Referred to Rules on 3/15.

Allows marriages to be solemnized by an individual holding an elective public office in the state.

#### [HB 74](#) / Driver's License and ID Cards and Real ID Act

Heard and held in House State Affairs on 3/14. Scheduled again for 3/21.

Allows DMV to issue both REAL ID federal compliant and noncompliant identification cards and driver licenses as a citizen of Alaska requests. This in turn will allow our residents to access military facilities, other federal facilities, and pass through TSA checkpoints at airports with these proper compliant cards. Otherwise, a U.S. passport, other recognized passport, and other federally issued identification documents will be necessary to fly to the lower-48 or gain access to a federal building.

#### [HB 79](#) / Omnibus Workers' Compensation

Scheduled hearing in House L&C on 3/20

The bill streamlines procedures and bears down on employers who attempt to delay prescribed medical treatments and fail to provide coverage, required by law. It takes aim at employers' misclassification of employees and "deceptive" leasing practices; and, strengthens requirements for employees to report wages they receive while receiving workers' compensation benefits.

The bill also expands personal liability among employers who are shown to be evading workers' compensation requirements. The bill reduces administrative costs by allowing employers to pay benefits electronically and allows the Division of Workers' Compensation to mandate electronic filing of certain reports from employers and insurers.

#### [HB 90](#) / Occupational Licensing Fees; Investigation Costs

Heard and held in House Finance on 3/13.

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.

#### [CSHB 123\(HSS\)](#) / Disclosure of Health Care Costs

Scheduled in House Judiciary on 3/24.

The bill will require health care providers to publish health care price information in public spaces and on their websites and to submit that price information to the Department of Health and Social Services. Individual providers will be required to disclose the total undiscounted costs of their 25 most commonly provided health care services and procedures. Larger medical facilities would provide the

same price information for their 50 most common health care services and procedures.

### **HB 159 / Opioids; Prescriptions; Database; Licenses**

Heard and held in House HSS on 3/18. Next hearing on 3/25.

Provides an option for patients to execute a “Voluntary Nonopioid Directive” that would allow a person not to be administered an opioid. The bill would also require health care licensing boards, such as nurses, physicians, and osteopaths to adopt regulations for licensure, renewal, and certification by regulation to make certain requirements of licensee’s continued demonstration in pain management. It would also implement provisions to limit an initial prescription for an opioid to not more than a seven day supply.

For pharmacists, the bill would require registration with the controlled substance prescription database regardless of whether the pharmacist has a federal drug enforcement administration registration number.

Further, it would allow a person to request a pharmacist to dispense less than the prescribed amount of a schedule II or schedule III controlled substance. Among other items, it also would require that the controlled substance prescription database be updated daily rather than the current weekly update.

### **HB 172 / Industrial Hemp Production Licenses**

Heard and held in House Resources on 3/17.

This is an act to define hemp as an agricultural product and allow for the commercial farming of hemp through a pilot program. Industrial hemp’s definition will be changed from a controlled substance to an agricultural product.

### **HB 174 / Extend Disaster Emergency: Opioid Epidemic**

Public testimony conducted and moved from House HSS on 3/14.

This bill extends the declaration of disaster emergency issued by the governor on February 14, 2017 until February 14, 2018. The original order had declared a public health crisis in order to combat the state’s opioid epidemic.

### **HB 175 / U.S. President Election Popular Vote Compact**

Heard and held in House State Affairs on 3/16. Next scheduled for 3/23.

The National Popular Vote bill would grant the presidency to the candidate who receives the most votes in the nation. Additionally, this bill is an interstate compact repealing the winner take all rule and would take effect only when enacted by states possessing a majority of the electoral votes.

## **SENATE COMMITTEE OR FLOOR ACTION**

### **SB 31 / No State Employee Pay Increase for Two Years**

Heard and moved from Senate State Affairs on 3/14. Scheduled in Senate Finance on 3/23

This bill freezes salaries merit step increases between July 1, 2017 and June 30, 2019 for exempt, partially exempt, and other nonunion employees in the Executive and Legislative branches, and employees of the University of Alaska.

### **SB 32 / Prescriptions for Biological Products**

Heard and moved from Senate L&C on 3/14.

It allows a pharmacist to substitute an FDA-approved interchangeable biosimilar for a prescribed originator biologic without first seeking approval from the physician. Once the item is dispensed, the pharmacist must communicate within a certain time to the physician that the biologic was dispensed.

### **SB 37 / Pharmacy Board and Employees; Drug Distro. and Manufacturing**

Heard and held in Senate L&C on 3/14.

Should create a more secure drug supply chain by allowing for licensing and inspection of wholesale drug distributors outside of the state. This will also bring Alaska into compliance with the Drug Quality Security Act (DQSA). It gives the Board of Pharmacy the authority to regulate out of state wholesale drug distributors or third party logistic providers and allows them to create a new position to serve as a liaison to the legislative and executive branches of state government.

### **SB 53 / Insurance Coverage for Contraceptives**

Heard in Senate HSS on 3/13 and held pending a forthcoming CS for consideration.

Requires insurance companies to pay at the request of the consumer both private and Medicaid claims and reimburse health care providers for 12 month supply of contraceptives, including, but not limited to birth control pills and hormonal contraceptive patches. Additionally, this bill includes an exemption for religious employers in order to ensure First Amendment protections.

### **SB 63 / Regulation of Smoking**

Heard and held in Senate Finance on 3/13. Next hearing on 3/20.

Prohibits smoking in certain places, including specified enclosed areas and at or near specified outdoor areas; provides limited exceptions to the smoking prohibitions for retail tobacco and e-cigarette stores, for enclosed, marked, and vented transit areas, for private residences, for specified vehicles and vessels, for stand-alone shelters and for licensed marijuana establishments; requires notices of smoking prohibitions and fines; prohibits employers and building owners or managers from permitting smoking or supplying smoking accessories in place where it is prohibited; prohibits an employer, or owner or operator of a vehicle from retaliating for initiating or cooperating with enforcement of the Act; allows a municipality to impose additional smoking restrictions and duties.

### **SB 79 / Opioids; Prescriptions; Database; Licenses**

Heard and held in Senate L&C on 3/14. Next hearing on 3/21.

Provides an option for patients to execute a “Voluntary Nonopioid Directive” that would allow a person not to be administered an opioid. The bill would also require health care licensing boards, such as nurses, physicians, and osteopaths to adopt regulations for licensure, renewal, and certification by regulation to make certain requirements of licensee’s continued demonstration in pain management. It would also implement provisions to limit an initial prescription for an opioid to not more than a seven day supply.

For pharmacists, the bill would require registration with the controlled substance prescription database regardless of whether the pharmacist has a federal drug enforcement administration registration number. Further, it would allow a person to request a pharmacist to dispense less than the prescribed amount of a schedule II or schedule III controlled substance. Among other items, it also would require that the controlled substance prescription database be updated daily rather than the current weekly update.

### **SB 83 / Protect: Vulnerable Adults/Long Term Care**

Heard and held in Senate HSS on 3/17. Public testimony taken.

Amends provisions of Title 47 to ensure alignment of the Office of the Long Term Care Ombudsman with the Older Americans Act in U.S. Code. This clarifies that the Ombudsman may only disclose a report of abuse or neglect in an older Alaskan if they have the consent of the vulnerable adult to do so. It also clarifies other responsibilities that DHSS has to investigate all reports of harm and may transfer those to the Ombudsman for additional assistance. Additionally, the Ombudsman in these proposed amendments would be allowed to disclose a person’s identity for purposes of making a referral to an agency if the person is unable to provide consent.

### **SB 91 / Extend Disaster Emergency: Opioid Epidemic**

Waived Public Hearing Notice, Rule 23 and heard in HHSS on 3/18. Passed from committee to RLS-waiting calendaring pending HSS report.

This bill extends the declaration of disaster emergency issued by the governor on February 14, 2017 until February 14, 2018. The original order had declared a public health crisis in order to combat the state's opioid epidemic.

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

Heard and held in Senate C&RA on 3/16. Next scheduled for 3/21.

Conforms Alaska law with the Full Faith and Credit provisions of the Violence Against Women's Act (VAWA) 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** <Passed House on 3/13>

Transmitted to the Senate and referred to Senate Finance on 3/15.

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.

**COMMITTEE HEARINGS**

**MONDAY – March 20**

(HOUSE) EDUCATION Committees

8:00 AM Capitol Room 106

**HB 135 / School Construction Grant Program** <Public Testimony>

**HB 102 / Limited Teacher Certificates; Languages** <Public Testimony>

(SENATE) FINANCE Committee

9:00 AM S. Finance Room 532

**SB 63 / Regulation of Smoking**

(HOUSE) FINANCE Committee

1:30 PM H. Finance Room 519

**HB 111 / Oil & Gas Production Tax; Payments; Credits**

(SENATE) HSS Committee

1:30 PM Butrovich Room 205

**Presentation: Alaska Citizen's Review Panel** <Testimony – Invitation only>

(SENATE) JUDICIARY Committee

1:30 PM Beltz Room 105 (TSBldg)

**SB 6 / Industrial Hemp Production**

**SB 55 / Omnibus Crime and Corrections**

(HOUSE) LABOR & COMMERCE Committee

3:15 PM Barnes Room 124

**HJR 14 / FCC: Increase Rural Health Care Budget** <Public Testimony>

**TUESDAY – March 21**

(HOUSE) FINANCE Committee

9:00 AM H. Finance Room 519 <Note time change>

**HB 111 / Oil & Gas Production Tax; Payments; Credits**



(SENATE) FINANCE Committee  
9:00 AM S. Finance Room 532  
**SB 22 / FY18 Operating Budget - SB 24 / FY18 Mental Health Budget**  
**SB 79 / Opioids; Prescriptions; Database; Licenses** <Public Testimony>

(HOUSE) FINANCE Committee  
1:30 PM H. Finance Room 519  
**HB 111 / Oil & Gas Production Tax; Payments; Credits**  
(HOUSE) HSS Committee  
3:00 PM Capitol Room 106  
**Presentation from the Citizen Review Panel and Response from OCS**  
**HB 151 / DHSS; CINA; Foster Care; Child Protection** <Public Testimony>  
**HCR 2 / Respond to Adverse Childhood Experiences** <Testimony – Invitation only>

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

(SENATE) C&RA Committee  
3:30 PM Beltz Room 105 (TSBldg)  
**HB 8 / Enforcement of Foreign Protective Orders**  
**HB 7 / Marked Ballot Photos; Persuasion at Polls**

(SENATE) STATE AFFAIRS Committee  
3:30 PM Butrovich Room 205  
**SB 34 / Driver's License and ID Cards and REAL ID Act** <Public testimony>  
**HB 16 / Driver's License Requirement; Disability: ID and Training**

(HOUSE) STATE AFFAIRS Committee  
5:30PM Gruenberg Room 120  
**SCR 2 / Sexual Assault Awareness Month: April 2017**  
**HB 74 / Driver's License and ID Cards and REAL ID Act** <Public testimony>  
**HJR 15 / Oppose Federal ID Requirements**

### **WEDNESDAY – March 22**

(HOUSE) EDUCATION Committees  
8:00 AM Capitol Room 106  
**HB 146 / School Tax; PFD Payment for School Tax** <Testimony – Invitation only>

(SENATE) FINANCE Committee  
9:00 AM S. Finance Room 532  
**SB 22 / FY18 Operating Budget**  
**SB 24 / FY18 Mental Health Budget**

(SENATE) MISC Meeting  
12:00 PM Butrovich Room 205  
**Lunch & Learn: Alaska Chapter of the American Foundation for Suicide Prevention**  
<Sponsored by Senator Hoffman>

(HOUSE) FINANCE Committee  
1:30 PM H. Finance Room 519  
**HB 111 / Oil & Gas Production Tax; Payments; Credits**



(SENATE) HSS Committee  
1:30 PM Butrovich Room 205 <Testimony – Invitation only>

(HOUSE) LABOR & COMMERCE Committee  
3:15 PM Barnes Room 124  
**HB 86 / Student Loan Default/Occupational License Renewal** <Public Testimony>

### **THURSDAY – March 23**

(HOUSE) FINANCE Committee  
9:00 AM H. Finance Room 519 <Note time change>  
**HB 115 / Income Tax; PFD Credit; Permanent Fund Income**

(SENATE) FINANCE Committee  
9:00 AM S. Finance Room 532  
**SB 31 / No State Employee Pay Increase for two Years**

(HOUSE) FINANCE Committee  
1:30 PM H. Finance Room 519  
**HB 111 / Oil & Gas Production Tax; Payments; Credits**

(HOUSE) HSS Committee  
3:00 PM Capitol Room 106  
**HB 138 / March: Sobriety Awareness Month** <Public Testimony>  
**HB 151 / DHSS; CINA; Foster Care; Child Protection** <Testimony – Invitation only>  
**HCR 2 / Respond to Adverse Childhood Experiences** <Public Testimony>  
**HCR 3 / April 2017: Child Abuse Prevention Month** <Testimony – Invitation only>

(HOUSE) STATE AFFAIRS Committee  
3:00 PM Gruenberg Room 120  
**HB 175 / U.S. President Election Popular Vote Compact** <Public Testimony>

### **FRIDAY – March 24**

(SENATE) EDUCATION Committee  
9:00 AM Butrovich Room 205  
**SB 78 / Permanent Fund Dividend Contributions and Lottery** <Testimony – Invitation only>  
**Senate Bill / Relating to Education and School Districts** <Pending Introduction>

(HOUSE) JUDICIARY Committee  
1:00 PM Gruenberg Room 120  
**HB 123 / Disclosure of Health Care Costs** <Public Testimony>

(HOUSE) FINANCE Committee  
1:30 PM H. Finance Room 519  
**HB 111 / Oil & Gas Production Tax; Payments; Credits**

(SENATE) JUDICIARY Committee  
1:30 PM Beltz Room 105 (TSBldg)  
**HB 24 / List U-47700 as a Controlled Substance**

**SATURDAY – March 25**

(HOUSE) FINANCE Committee

10:00 AM H. Finance Room 519 <Note time change>

**HB 111 / Oil & Gas Production Tax; Payments; Credits** <Public Testimony>

(HOUSE) HSS Committee

3:00 PM Capitol Room 106

**HB 159 / Opioids; Prescriptions; Database; Licenses** <Public Testimony>

**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>

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

View specifics for the Capital and Operating Budgets.

**~ End of Report ~**

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