

# ***2020 CAPITOL CURRENTS***

*31<sup>st</sup> Alaska State Legislature ~ 2<sup>nd</sup> Session*

## **Second Edition**

**The Second week is behind us!**

**~ Most legislative leaders aren't impressed with the Administration's game plan for 2020 ~**

## **HIGHLIGHTS**

The Centers for Medicare and Medicaid Services (CMS) recently announced the Healthy Adult Opportunity (HAO), a demonstration project that offers states a choice to transform their Medicaid program using blocks grants.

The State Medicaid Directors' letter can be viewed here: [Federal Guidance Letter](#)

To view the fact sheet click here: [HAO Fact Sheet](#)

The importance to Alaska? On Tuesday in SFIN, OMB Director Steininger said “nearly half of the state budget falls into two large programs—K-12 education formula program and the Medicaid program – which collectively are 44% of the undesignated general fund operating budget.

Stop. Go. Stop. Superior Court Judge Aarseth has now decided it's best to stop more Dunleavy Recall signature gathering until the Supreme Court decides whether it can be on the ballot.

The first drawing of the PFD Education Raffle was held this week. The raffle had 8,698 contributions totaling \$869,800. 50% is allocated to supplemental education grants, 25% allocated to the Education Endowment Fund, and 25% is allocated to the raffle fund.

Prize winners and more information about the education raffle can be found here:

[PFD Education Raffle](#)

## **BUDGET ISSUES**

The Legislature and Governor make second year revisions to state spending in the “Supplemental Budget”. According to Senate Finance Co-Chair Stedman, this year’s version – coming soon - will be “colossal”.

The major culprits are, wildfire costs and higher than planned health care spending.

Revisions to the PFD formula are on the table. Ideas differ but Senate leaders think they may be able to reach common ground this year.

According to a news story, President Giessel predicts the Legislature ultimately will set aside a quarter of the annual earnings draw for dividends - about \$1,100 - \$1,200 dividends.

### **Budget Hearings for the week of February 3<sup>rd</sup>**

**Monday, HEDC FINSUB** starts the week off at **8:00am** with the State Board of Education; Mt. Edgecumbe’s Superintendent Vanesse; DEED & HSS staff talking about Pre-K funding; and the Parents as Teachers Program.

**HJUD FINSUB** meets at **Noon** to discuss the budget for Therapeutic Courts.

**HFIN** meets at **1:30pm** for a DHSS overview and Medicaid budget update.

**Tuesday, HDOC FINSUB** meets at **8:00am** to discuss recruitment and retention of state employees.

The **HDPS FINSUB** meets at **9:00am** and among other topics will be discussing the Laboratory Services (sexual assault forensic exam kits will probably come up).

Also at **9:00am**, **SFIN** meets to discuss [SB 104](#), appropriation limit. The committee introduced the bill last April and adopted a committee substitute (CS) the last time it was heard.

The bill places a spending cap of \$6 billion annually including the PFD in the cap and allowing for an adjustment for capital spending - an amount equal to up to five percent of the total allowable spending under the cap can be spent on capital improvements outside the cap.

**HFIN** continues operating budget overs at **1:30pm** with the departments of Education and Early Development, and Administration.

**Wednesday at 8:00am, HEDC FINSUB** will hear about Pre-K Funding with presentations from Kim Saunders, Kodiak Island School District, and Chelsea Mauro, Anchorage School District

**1:30pm HFIN** will hear from OMB director Steininger about the FY 20 supplemental and pending introduction and referral may hear a bill about re-appropriations.

**Thursday at 8:00am, HDOC FINSUB** will review recidivism and reentry.

**SFIN** may review the FY 20 Supplemental at **9:00am** if it is introduced and referred.

**HFIN** continues operating budget overviews at **1:30pm** with the departments of public safety and corrections.

**HHSS FINSUB** will hear overviews at **3:30pm** from Shawnda O'Brien, Director of Public Assistance and Heidi Hedberg, Director of Public Health

## **BILLS**

[HB 96](#), that partially reverses Pioneer Home rate hikes by limiting increases to inflation, was heard in Senate HSS. Sticker shock is causing Chair Senator Wilson to hesitate. He gives it a 50/50 chance. Supporter Senator Begich is more optimistic.

**Coming the week of February 3<sup>rd</sup>:**

[HR 12](#) sponsored by Rep. Josephson establishing a House Special Committee on Climate Change receives its second hearing in **HRES on Monday at 1:00pm.**

[SB 6](#) Pre-K; Elementary Ed Programs; Funding; Reading will be heard in **SEDC at 9:00am** with testimony to focus on policy implications of the Grade-Level Reading Program.

**Tuesday at 1:30pm, SL&C** gives us a first look at [SB 157](#), Licensing; Temp, Eligibility, Bonds, Repeals the Governor's bill to reform professional licensing in the state.

Click here for the transmittal letter: [SB 157 Transmittal Letter](#)

**HSTA** will hear [HB 198](#) Aggravating Factors at Sentencing and [HB 182](#) Sexual Assault Examination Kits; Testing at **3:00pm on both Tuesday and Thursday.**

HB 198 adds sexual orientation and gender identity to a list of factors in sentencing aggravator 22 allowing judges to increase sentences if the person committed the crime against a person due to their sexual orientation or gender identity.

HB 182 reduces the amount of time for testing contents of a sexual assault forensic exam kit from one year to 60 days.

**Wednesday at 1:45 (note time), HJUD** will take public testimony on both [HJR 15](#) Constitutional Amendment; Votes Needed for Veto Override and [HB 133](#) Juveniles; Justice, Facilities, Treatment.

The bills are also scheduled in the committee on **Friday at 1:45pm.**

**Thursday at 1:30pm, SL&C** will take public testimony on [SB 47](#) Physical/Occupational Therapy Board. Introduced at the beginning of last session this is the bill's first hearing.

SB 47 amends the governing statutes for physical therapist and occupational therapists practicing in Alaska. Its amendments are technical and designed to bring Alaska statutes in line with national standards and terminology.

It also changes the composition of the board - removing the physician seat and adding an occupational therapist seat - and changes qualifications for licensing to include graduating from a professional physical therapy or occupational therapy education program that includes supervised fieldwork and is accredited by a national accreditation agency. The bill also revises qualifications for foreign-educated applicants.

### **GOVERNOR'S CORNER**

The governor's office will post press releases and other items of interest here: [Press Releases](#)

Governor Dunleavy's second State of the State Address can be found here: [State of the State](#)

During the 31-minute address he highlighted resource development - "Alaska has great rocks".

He admitted last year's budget proposal took the air out of the room and caused great discomfort. He reminded us that we still have a deficit to fill.

He has proposed a "flat budget" with controlled spending and a full dividend based on the current formula leaving a \$1.5 billion deficit. Savings would fill the hole. A new statewide lottery is his only targeted revenue raiser.

He will add an Inspector General to investigate fraud. You may be able to trade PFD's for state land. Local hire incentives are expected.

The Governor wants more renewable energy to meet forgotten statutory aspirations. He wants constitutional amendments for a spending limit and public approval of changes to the dividend formula, and new or increased taxes. No mention of a new PFD formula.

House Speaker Bryce Edgmon and Majority Leader Steve Thompson both commented that none of the non-oil tax revenue proposals on the table - including the lottery - will save us since they are only in the single digit millions.

Rep. Foster says you can't cover the deficit with spending cuts alone.

The Governor stated public safety was his number one priority and followed-up the next day by introducing two pieces of legislation: [SB 164 / HB 224](#) Peace Officer/VPO; Eligibility, Standards and Definitions and [SB 165 / HB 225](#) Prostitution/Trafficking; Vacate Convictions.

SB 164/HB 224 prevents anyone convicted of a felony, a sex offense or a crime involving domestic violence from being appointed as a police or village police officer; empowers the Alaska Police Standards Council to set employment standards for village police officers and to investigate when there is reason to believe an officer or a village police officer doesn't meet minimum standards for employment; it also includes a definition of a village police officer.

SB 164 is already scheduled for a hearing in **SSTA on Tuesday at 3:30pm**

SB 165/HB 225 increases penalties for all forms of trafficking; all degrees of sex trafficking will become a sex offense with a requirement to register as a sex offender; establishes the new crime of "patron of a victim of sex trafficking" and creates a legal mechanism by which a person convicted of prostitution can get that conviction vacated if they were a victim of sex trafficking at the time of the prostitution offense.

Another of his focus areas is children and education. In addition to the children's Read Act, he announced the creation of a working group made up of teachers, administrators and others to review causes of retention and recruitment issues in order to attract and retain great teachers.

Later in the week, the Governor announced a series of town hall meetings, “**Conversations with Alaskans” talking with Alaskans about Alaska’s future.**

The first meeting will be held Monday February 3<sup>rd</sup> at the Petersburg High School Gymnasium from 6-8om.

The next will be Tuesday the 4<sup>th</sup> at the James and Elsie Nolan Civic Center in Wrangell from 5-7pm.

**Additional events are in the works.**

The town halls are open to the public and will be focused on five questions:

1. What are your thoughts on revenues, budget reductions, spending caps and the future of the PFD?
2. What programs and services do you value?
3. Should state spending be measured by inputs or outcomes?
4. What natural resource opportunities do you support and see in your area and across the state?
5. What are some ideas you may have that I, or the Legislature, have not thought of?

The nomination period for the First Lady’s 2020 Volunteer Awards began **Feb. 1<sup>st</sup> and runs through March 1<sup>st</sup>.** Nominations can be submitted online or by using hard copies that are available at the Governor’s offices in Anchorage, Juneau, Fairbanks and Palmer. Click here for the form: [Nomination form](#)

## **ITEMS OF INTEREST**

**Tuesday at 3:30pm HHSS** will hear overviews from Alaska Psychiatric Institute’s director, Noel Rea and Senior and Disabilities Services director, John Lee.

**Thursday at 3:00pm HHSS** will hear from Sonia Henrick with the Key Coalition talking about Advocacy for People with Disabilities.

To report suspected human/sex trafficking, you can call the Alaska State Troopers at (907) 375-6409 or the National Human Trafficking Hotline at 1-888-373-7888 or text “help” to Be Free (233733).

### **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 February 3-8, 2020

[Weekly calendar](#)

**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 [Gavel](#)

#### **Streaming Video**

[Live Now](#)

#### **Testifying**

Legislative Information Office (LIO) [LIO Offices](#)

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

**~ End of Report ~**

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