



House Speaker Bryce Edgmon's *Legislative Update*



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121-Day Session Ends without Budget; Governor Calls Special Session



Immediately after the House and Senate adjourned on Wednesday night, Governor Walker issued a proclamation for a 30-day special session that began at 11:00 a.m. on Thursday morning. Because the Legislature has not yet passed the Operating and Mental Health Budgets, and with no agreement reached on a fiscal plan to address our deficit of between \$2.5 and \$3 billion, and because there was not the three-quarters vote necessary for the Legislature itself to extend the session, the governor had no choice.



The FY18 Operating Budget is a central element in the impasse between the Senate and House, but the larger issue is that budget's role as one of several bills that together could close the deficit.

Here is the basic conflict:

The Alaska House Majority Coalition passed a four-part fiscal plan that fully balances the budget within three years.

- It includes carefully considered cuts to the Operating Budget that preserves the value of vital services the state provides Alaskans.
- It ensures oil revenues at low prices and eliminates unsustainable cash subsidies to oil companies.
- It restructures the Permanent Fund in a way that provides funding for the state while guaranteeing a \$1250 annual dividend.

Speaker Edgmon at a press conference this morning with, L to R: Finance Co-Chair Paul Seaton (R-Homer), House Majority Leader Chris Tuck (D-Anchorage), and House Rules Chair Gabrielle LeDoux (R-Anchorage).

- And it establishes a broad based tax that, when combined with these other measures,
 - ◇ finishes the job of balancing the budget,
 - ◇ brings fairness to the solution,
 - ◇ restores strength and stability to our economy,
 - ◇ and assures businesses and industry that investments in Alaska will prosper.

On the other hand, the plan the Senate offers leaves a structural deficit of at least half a billion dollars.

- They offer only a restructuring of the Permanent Fund that caps the PFD at \$1000 and results in something between a \$500 to \$800 million deficit.
- That shortfall will require continued draining of our dwindling savings, jeopardizing the overall security of Alaska.
- The shortfall guarantees that the uncertainty in our economy that has been costing jobs and pushing investments out of state will persist.
- And that shortfall will force continued cuts to our most basic services and programs, like our children's schools, the law enforcement agencies that protect our communities, and the healthcare programs that help our senior citizens during the most vulnerable periods of their lives.

When a special session is called by the governor, he or she puts forward a slate of measure to be considered, known as "the call." The call Governor Walker issued on Wednesday night is revealing. In addition to an important bill addressing the opioid epidemic and the major budget bills, the list also includes

- HB 111—the oil & gas tax credit reform bill originally introduced by the House Resources Committee.
- SB 26—the Permanent Fund restructuring bill originally introduced on behalf of the governor.
- And "an act or acts to increase an existing tax or to establish a new broad-based tax for the purpose of generating new revenue for the State."

These items are exactly the major components of the fiscal solution passed by the House, including the broad-based tax that finishes the job. I think it's safe to say that Governor Walker agrees with the House Majority Coalition that we cannot leave Juneau with a fiscal plan that falls short.

I hope in the days ahead that our colleagues in the Senate will pull together with us to put these tools to work, put the fiscal crisis behind us completely, and move forward to better times.

Some Notable Bills Passed During the Session

SB 91 OPIOID EPIDEMIC; STANDING ORDERS OD DRUGS

This bill extends Governor Walker's February Declaration of Disaster Emergency regarding Alaska's opioid/heroin epidemic. It allows the state's chief medical officer to maintain until 2021 an order allowing local and regional overdose response programs, first responders, and the general public to have the ability to dispense and administer the life-saving anti-overdose drug naloxone. In the meantime, the Administration is moving forward with a plan of action that directs state departments to prioritize resources to combat the opioid epidemic and apply for federal grants to fund prevention, treatment and enforcement. Just last month, the governor secured a \$2 million federal grant toward the effort.

SB 55 (and HB 8) OMNIBUS CRIME/CORRECTIONS

The bulk of this bill follows up on the criminal justice reform measures in last year's SB 91. It makes technical revisions that were recommended by the Alaska Criminal Justice Com-

mission to improve the implementation of the reform efforts.

In the House, we were also able to fold the original version of my **HB 8** into SB 55. HB 8 corrects state statutes that currently conflict with provisions in the Violence Against Women Act (VAWA).

Before VAWA, protection orders issued by a tribal court or another state's court had to be registered with an Alaska court before police could enforce them. VAWA removed that requirement, and HB 8 revises our statutes accordingly.

SB 83 PROTECT: VULNERABLE ADULTS/LONG TERM CARE

This bill should result in better protections for vulnerable adults and adults in long-term care facilities. In doing so, it amends current statute to bring them into better alignment with federal regulations having to do with a report of harm to such a resident. Under SB 83, the duty of the Long Term Care Ombudsman to notify the Department of Health & Social Services of a report of harm is clarified. The Ombudsman is also given discretion to investigate reports of harm to residents who are younger than 60 years of age.

HB 78 INDIGENOUS PEOPLES DAY

Introduced by Rep. Dean Westlake of Kiana, HB 78 establishes the second Monday in October as Indigenous Peoples Day. Coinciding with Columbus Day, the October Monday will now also recognize, honor, and celebrate the first people of Alaska and the Americas.

House Concurrent Resolution 13 AL ADAMS COMMITTEE ROOM

In the last two days of session the Legislature passed a resolution that names the House Finance Committee room in honor of former representative and senator Al Adams, who passed away just a few years ago. Al Adams was a champion for the people of rural Alaska and one of the most influential lawmakers in our state's history. He was the driving force behind creation of the Power Cost Equalization Program and always fought for balanced funding between rural and urban Alaska. Al was chairman of the Finance Committee in the House, and he understood Alaska's finances better than any lawmaker I have ever met, which makes it fitting that our future budgets will be developed in a room that bears his name.



The late, great Al Adams, who was the sole Chairman of the House Finance Committee as a freshman legislator, and who kept the powerful position for many years.

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