

September 22, 2017

2017 Legislative Report

Since the regular legislative session ended on May 17, the legislature has met in three special sessions, the last one ending on July 27. The state's Operating and Mental Health budgets (HB 57 and HB 59) were signed by Governor Walker on June 30, with no vetoes. The Capital budget (SB 23) was signed on July 31. A fourth special session called by the Governor will begin on October 23 to address "enacting a tax on wages and net earnings from self-employment" and "SB 54 - Crime and Sentencing."

This report* offers an overview of bills and budget items that passed in 2017 impacting Trust beneficiaries, and what is still on the table for next year:

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Bills that Passed in 2017

HB 16 – Driver's License requirement; Disability; ID and Training, by Rep. Steve Thompson. Provides for training related to disabilities for police, probation, parole, and village public safety officers, and for voluntary disability designations on state IDs and driver's licenses. Passed the House 38-0 without amendment. Senate State Affairs Committee added "rights" and responsibilities of drivers when stopped or encountered by an officer and allowing naturopaths to certify a disability. The Senate Rules Committee added the contents of SB 34, an act relating to the federal REAL ID Act and issuance of identification cards and driver's licenses. It was signed into law on May 22, 2017, in Fairbanks, Alaska, before the bill's sponsor and a group of disability advocates.

HB 108 Fiduciary Access to Digital Assets, by Rep. Matt Claman. Provides a means to manage and dispose of a deceased person's digital assets by their designated fiduciary—including online financial transactions (banking, direct deposits, and purchases), personal emails, Facebook accounts, photos, music and other personal items stored electronically. HB 108 is in alignment with the Uniform Law Commission which would make Alaska's statute interstate-compatible, which is important when owners and their fiduciaries live in different states, and provides legal authority to fiduciaries to manage digital assets in the same manner as tangible property. It would also allow owners of digital assets to specify how they would like their assets to be managed by their fiduciaries—identifying what items to preserve, distribute to heirs, or destroyed. It was signed into law on August 3, 2017.

HB 159 – Opioids; Prescriptions; Database; Licenses, by Governor Walker. Limits initial prescriptions for opioids to seven days; provides an option for patients to execute a Voluntary

Non-Opioid Advance Directive to opt out of opioid pain medications; requires health care licensing boards for dentists, nurses, physicians, osteopaths, podiatrists, and optometrists to require continuing education in pain management and opioid use disorders; requires consultation with parents about risks associated with opioid medications when prescribing to a minor; requires veterinarians to register with prescription drug monitoring program (PDMP) and develop resources to educate animal owners about opioid misuse and diversion; requires pharmacists to register with PDMP and allow a person to request less than the prescribed amount of a controlled substance; authorizes the Board of Pharmacy to send practitioners information on how their prescribing practices compare to other practitioners. House Health and Social Services committee adopted a committee substitute to address concerns raised by pharmacists, removing the requirement of daily updates to the PDMP. It was signed into law on July 26, 2017.

SB 55 – Omnibus Crime/Corrections, by Sen. John Coghill. SB 55 makes technical changes to the criminal justice reform package passed by the legislature in 2016, based on recommendations by the Alaska Criminal Justice Commission. Technical revisions are necessary to provide clarity and improve implementation of the reforms. SB 55 passed the Senate 20-0. The House Rules Committee added two new major concepts to the bill. The first requires an inventory of untested sexual assault exam kits (from HB 31 by Rep. Geran Tarr) which must be completed by September 1, 2017 and a report to the legislature on actions to be taken by November 1. The second adds sections regarding foreign protective orders (from HB 8 by Rep. Edgmon) that bring Alaska into compliance with the Violence Against Women Act. Current status: Signed into law on June 22, 2017.

SB 83 – Protect Vulnerable Adults; Long Term Care, by Governor Walker. Clarifies that Alaska’s long term care ombudsman may only report abuse of vulnerable adults when consent has been given. Also, clarifies DHSS responsibilities to investigate all reports of harm, and request further assistance from the ombudsman when needed. It was signed into law on August 3, 2017.

SB 91 – Extend Disaster Emergency; Opioid Epidemic, by Governor Bill Walker. Extends to February 14, 2018, the emergency declaration issued by the Governor declaring the current opioid epidemic a public health disaster. Provisions include establishing a statewide overdose response program and statewide medical standing order to expand access to naloxone. It was signed into law on March 21, 2017.

Bills Still on the Table for 2018

HB 1 – Election Registration and Voting, by Rep. Chris Tuck. Provides same day voter registration; enhanced online voter registration; standardized early voting locations; and authorizes permanent absentee voting. Passed from House State Affairs Committee with no amendment. The House Judiciary Committee cleaned up outdated statutes related to same day voter registration, and added a declaration on questioned and special needs ballots that voter information is accurate. It passed the House 22-18. Current status: Senate State Affairs.

HB 10 – Child in Need of Aid/Protection: Duties, by Rep. Tammie Wilson. Makes changes to state requirements related to reunifying families. Currently, under the Indian Child Welfare Act (ICWA), the state is required to make “active efforts” to reunify Native families. The state is required to make “reasonable efforts” to reunify non-Native families. The bill attempts to apply the ICWA requirement of “active efforts” to non-Native families. Current status: House Health & Social Services Committee, its first committee of referral.

HB 64 – Reading Proficiency Task Force; Dyslexia, by Rep. Harriet Drummond. Establishes a 15-member task force on reading proficiency and instruction with the goal of making recommendations regarding reading practices for students across the state, including examining how current regulations affect reading proficiency outcomes with the goal of increasing statewide reading proficiency scores within three years, and identifying evidence-based approaches to instructing students affected by dyslexia. The proposed task force will consist of six members from the House and Senate, the commissioner of DEED, and eight members of the public. Current status: Senate Education Committee.

HB 106 – Civil Legal Services Fund, by Rep. Zach Fansler. Allows the legislature to appropriate up to 25% of court filing fees to a fund to pay for civil legal services that serve low-income Alaskans. Passed the House 33-3 without amendment. The Senate Judiciary Committee changed the fund deposits to “up to 5%” down from 25%. Current status: Senate Finance Committee.

HB 115 – Income Tax; PFD Credit: Permanent Fund Income, by the House Finance Committee. Creates a state income tax of 15% of federal income tax due, or \$25, whichever is greater. Draws 4.75% of the Permanent Fund annually from the earnings reserve, with one-third paying for PFD checks and two-thirds paying for state operations. After two months of hearings, the bill was changed in House Finance Committee to base the income tax on adjusted gross income over \$10,300 (individual), with PFD and other exemptions. Estimated revenue from the tax is \$650 million per year. The bill passed the House 22-17 with a single amendment regarding a calculation of non-resident tax, but failed to pass the Senate 15-4. Current status: Returned to the House.

HB 123 – Disclosure of Health Care Costs, by Rep. Ivy Spohnholz. Requires health care providers and facilities to post the full price of their most common services and procedures. Providers may note that what patients pay may be different than the amount listed; adds an administrative appeal process for individuals who are fined; excludes federal facilities. Passed the House without amendment, 34-6. Current status: Senate Health & Social Services Committee.

HB 138 – Proclaiming March as Sobriety Awareness Month, by Rep. Dean Westlake. Recognizing March as Sobriety Awareness Month in Alaska. The sponsor writes, “the purpose of Sobriety Awareness Month is to call attention to Alaska’s aggregate population of citizens who practice a positive and healthy non-consumer lifestyle of mood and mind altering substances.” The resolution passed the House 39-0. Current status: Senate Health & Social Services.

HB 151 – DHSS, Children in Need of Aid (CINA); Foster Care; Child Protection, by Rep. Les Gara. Implements a minimum of six-weeks of training for new social workers in the Office of Children’s Services (OCS), and adjusts workload standards so that new workers can carry no more than six cases/families in their first three months, and 12 families in their first six months; promotes quicker timelines for reunification and/or permanency; implements adoption and guardianship stipends for youth age 18 and older to incentivize permanent placements; promotes contact with siblings and previous out-of-home caregivers to promote the well-being of children; enacts timelines for decisions on foster care home license applications and for variances (for family members seeking to be licensed foster parents); adjusts restrictions on activities for foster children, such as vacations; strengthens requirement to search for relatives before placing a child in foster care; and outlines provisions to empower youth to participate in their own case planning. HB 151 passed the House 23-17. Current status: Transmitted to Senate.

HB 171 – Employment of Prisoners, by Rep. Dean Westlake. Assists the Department of Corrections (DOC) in entering into contracts and cooperative agreements for the productive employment of inmates, and to produce products and services through private-public partnerships in full consultation with industry stakeholders. Employment during incarceration helps inmates

build valuable work skills, and supports paying victims' restitution, court fees, fines, and other costs associated with confinement. HB 171 has been heard and held in its first committee of referral. Current status: House Labor & Commerce Committee, its first committee of referral.

HB 186 - Food Donations, by Rep. Dave Talerico. Removes the risk of liability for businesses to donate their excess unsold food items to charitable organizations, like food banks, in order to reduce the amount of wasted food in Alaska, while increasing the amount of donated food and reducing the amount of food disposed in landfills. The bill responds to nearly 15% of Alaskans who are "food insecure" and could benefit from donated food. The bill allows for hot food to be donated, but labeled. Current status: Senate Rules Committee.

HB 236 – Extend Alaska Senior Benefits Payment Program, by Rep. Scott Kawasaki. This legislation would extend the Senior Benefits Program sunset clause to 2022, ensuring another four years of support for low-income Alaskan seniors. Without action, the program would end in 2018. The program provides moderate cash assistance that can be used for food, heating, electricity, transportation, and prescription medication. The program currently serves 11,400 eligible Alaskans ages 65 and older, with assistance that ranges from \$76 to \$250 per month. A subcommittee was appointed to address efficiencies in the program during the 2017-18 interim. Current status: House Health & Social Services, its first committee of referral.

HB 254 – DUI Affirmative Defense, by Rep. David Eastman. This bill would make it an affirmative defense to a DUI prosecution that the defendant's operation of a motor vehicle was limited to using the vehicle's heater or starting the vehicle to use the heater, under such conditions as weather in which "a reasonable person would seek shelter and heat" and the defendant "did not otherwise drive or attempt to drive the motor vehicle." Current status: House State Affairs Committee, its first committee of referral.

SB 10 – Adult Foster Care for Disabled; Medicaid, by Sen. Mike Dunleavy. Directs DHSS to develop and implement a licensing process that provides a seamless transition for a child residing in a foster care home who turns 18 and chooses to reside in the same home, with the same family habilitation provider, and the same services. The target population is young adults on Medicaid with lifelong severe developmental and intellectual disabilities and medical fragility who meet nursing facility level of care, including multiple interventions daily, maximum physical assistance with all activities of daily living, require diligent 24/7 sight and sound supervision and monitoring, and have a disability that likely require this level of care for the remainder of their lifetime to maintain health and safety, and where the level of care is likely to increase with age. Current status: Senate Health & Social Services, its first committee of referral.

SB 26 – Permanent Fund; Deposits; Dividend Earnings, by Governor Walker/Senate Finance. While the Governor proposed this bill, Senate Finance adopted a committee substitute that deleted the Governor's language and replaced it with SB 70. The Senate version of SB 26 establishes an appropriation limit of \$4.1 billion and allows an annual appropriation of 5.25% percent of market value (POMV) from the Permanent Fund Earnings Reserve Account (ERA) for government services (drops to 5% in 2020). Draw from the ERA is reduced if oil revenue exceeds \$1.2 billion that year. Limits the PFD to \$1,000 in 2018, 2019, and 2020. SB 26 passed the Senate 13-7. House Finance adopted a committee substitute for SB26, which does not include an appropriation limit. It also has a 5.25% POMV appropriation from the ERA (reduced to 5% POMV in 2019). SB 26 passed the Senate 13-7 and the House 22-18 with changes. The Senate failed to concur with those changes and so a conference committee was appointed. Current status: House and Senate Conference Committee.

SB 54 – Crime and Sentencing, by Sen. John Coghill. Proposes substantive amendments to the 2016 criminal justice reform bill SB 91, and addresses these major areas: C-felony penalties,

misdemeanor penalties, sex trafficking, and violations of conditions of release (VCOR), with the C felony and theft in the 4th degree penalties having raised the most controversy. SB 91 set the penalty for first time class C felony as probation with a suspended term of imprisonment of up to 18 months (except for felony DUI). Public testimony and testimony from the Department of Law about SB 91 prompted the bill sponsor to increase the penalty for C felonies to 0 to 90 days in the first version of the bill. As it has passed through the legislative process, the penalty has changed to a presumptive sentencing range of 0 to 365 days (one year).

The 2016 crime bill (SB 91) eliminated both active and suspended terms of imprisonment for fourth degree theft under \$250, unless the person has been convicted twice before for a similar crime. For a third offense, a maximum of five days suspended imprisonment and six months' probation could be imposed — meaning no jail time imposed for theft in the fourth degree, unless the person violates their probation within the six-month probationary period. Courts can still impose fines and community work service. SB 54 changes the penalty for a person convicted of theft in the 4th degree (and similar offenses) in the following ways: first offense: up to five days of suspended imprisonment and up to six months' probation; second offense: up to five days imprisonment and six months' probation; third and subsequent offenses: up to 10 days imprisonment and six months' probation. SB 54 passed the Senate 19-1. Current status: House State Affairs Committee.

SB 62 – Repeal Certificate of Need Program, by Sen. David Wilson (companion bill HB 153 by Rep. Tammie Wilson). Repeal's Alaska's Certificate of Need Program (CON) and provides for a two-year window before the repeal becomes effective. Currently, the development of new medical facilities, such as hospitals and nursing homes, must obtain a CON that documents the community need for a new facility. This has helped Alaska achieve and maintain a balanced long-term care delivery system that favors serving people needing assistance through low cost and, in many instances, more appropriate home- and community-based services that prevent the need for higher cost institutional care. Without the CON, more institutional facilities are likely to be built, which may increase the cost of long-term care significantly for the state. Current status: Senate Labor and Commerce Committee, its first committee of referral.

SB 63 – Regulation of Smoking, by Sen. Peter Micciche. Creates a statewide prohibition on smoking, including e-cigarettes, in places of employment. The bill does not prohibit smoking in a private residence unless a healthcare provider is present or the home is used as a childcare or adult care facility (i.e. place of employment). Outdoor smoking would also be regulated. Smoking distances on fishing vessels and at long-term care facilities will remain at the discretion of an owner or operator. Smoking will still be permitted at retail tobacco or e-cigarette stores that are in a freestanding building or, if attached, are not attached to a prohibited facility, are vented and have a separate entrance, and only sell e-cigarettes. The bill also outlines the duties of employers and building managers related to smoking, and certain public education requirements. The bill passed the Senate 15-5. Current status: House Judiciary Committee.

SB 76 – Alcohol beverage control, alcohol regulations, by Sen. Peter Micciche. Comprehensive update of Title 4 statutes governing the production and sale of alcohol and the Alcoholic Beverage Control (ABC) Board. Based on extensive stakeholder work over several years, the bill includes updates to licensing and permitting and addresses innovative developments in the industry like craft manufacturing to Internet-based sales. The bill clarifies the regulation of the industry and adjusts penalties for violations to better match the severity of the offense and promote more consistent enforcement. The bill also ensures the ABC board and staff of the Alcohol and Marijuana Control Office (AMCO) have the resources to carry out duties of managing licenses and permits, enforcing laws, and educating Alaskans about alcohol and marijuana laws. It has had no hearings. Current status: Senate Labor & Commerce Committee, its first committee of referral.

SB 80 – Telecommunications: Disabled Subscribers, by Sen. Mia Costello. Updates state statute to improve technology service for Alaska’s deaf, hard of hearing, and speech impaired community. A committee substitute incorporates “person first” language to respectfully acknowledge individuals with disabilities. The bill will allow the Regulatory Commission of Alaska (RCA) to more equitably assess the telecommunications relay service (TRS) surcharge to a growing number of cell phone and Voice-over Protocol technology users and expand the type of telecommunication devices and software available to disabled subscribers. Current status: House Labor and Commerce Committee.

SB 96 – Education: schools; teachers; funding, by Senate Education Committee. This bill is intended to transform the public education system through greater reliance on technology and distance delivered instruction. It also allows students to receive academic credit for private extracurricular sports/arts activities. It promotes sharing of services (nutrition services, student transportation, administrative operations, etc.) among school districts and community organizations. The bill increases the operating fund balance cap from 10% to 25, allowing districts to rollover more savings into the future. The bill has provisions related to funding and school size, to incentivize districts to operate schools at full capacity. Current status: Senate Finance Committee.

SB 103 – Education Grants; scholarship; innovative education fund, by Senate Finance Committee. The bill changes the “Higher Education Fund” to the “Alaska Innovation Education Grant Fund,” to provide grants for “innovative educational delivery methods.” Passed the Senate 13-7. Current status: House Education Committee.

SB 104 – Education curriculum, by Senate Finance Committee. Provides all school districts with a three-year reprieve from updating or renewing any curriculum. During this period, the Department of Education and Early Development, in consultation with school districts, will have one year to find the best curriculum and best practices for math and English language arts in other states and in other countries. Then that curriculum will be tested in districts in Alaska, for two years, to measure its success. The State Board of Education will then review, approve and adopt the curriculum for all school districts to be able to use, if they so choose. Current status: Senate Rules Committee.

SB 105 – Marital and family therapy licenses and services, by Sen. David Wilson. Increases the requirements for licensure, including 1,500 hours of supervised clinical contact and at least \$30,000 in professional liability insurance. Adds marital and family therapy to the list of permissible Medicaid services in Alaska Statute 47.07.030(b). Current status: Senate Labor & Commerce Committee.

Budget Report

The total FY18 operating budget passed by the legislature is \$9.6 billion. The total appropriated for agency operations is \$7.4 billion, \$61 million, (.8%) less than fiscal year FY17.

The FY18 budget will draw an estimated \$2.4 billion from the Constitutional Budget Reserve (CBR), leaving too little in the CBR to cover a similar budget gap next year. The CBR has been reduced from \$13 billion in 2014 to about \$2.1 billion after FY18 spending. The legislature did not draw from the Permanent Fund Earnings Reserve Account.

Several items were up for negotiation in the HB 57 Conference Committee that were tracked by the Trust and partner advisory boards, resulted in the following outcomes:

Department of Health and Social Services (DHSS)

Overall, DHSS will receive \$28 million (-1%) less than in FY17. The following numbers shows FY18 legislative action compared to FY17, and includes all funds.

- Pioneer Homes: +\$401,000 (.6%)
- Behavioral Health: -\$6.7 million (-4.7%) Note: Most of this reduction was to Behavioral Health Treatment and Recovery Grants.
- Children's Services: +3.3 million (2.1%)
- Health Care Services: -1.9 million (-8%)
- Juvenile Justice: -\$801,000 (-1.4%) Note: McLaughlin Youth Center gained \$700,000, while the Nome Youth Facility lost \$781,000 and the Ketchikan Regional Youth Facility lost \$1.7 million.
- Public Assistance: -\$7 million (-2.3%) Note: Most of the loss came from Temporary Assistance, Adult Public Assistance, and Fraud Investigation.
- Public Health: -\$13.7 million (-10.5%) Note: The biggest cuts were to Epidemiology and Health Planning.
- Senior and Disability Services: -\$8.6 million (-11.2%) Note: The biggest cut was to Community Development Disability Grants (\$6.1 million) and Administration (\$2 million).
- Department Support Services: -\$282,000 (-.6%)
- Human Services Community Matching Grants: stable
- Community Initiative Grants: stable
- Medicaid Services: +\$7.4 million (.4%)

DHSS Conference Committee Items:

Pioneer Homes

The House recommendation to maintain stable funding was accepted. The Senate had proposed two reductions in two separate actions: a 2.75% reduction (\$818,500) for Pioneer Homes personal services, and a 12.7% reduction (\$5.7 million) for the Pioneer Homes. Together the Senate reductions would have totaled \$6.5 million, resulting in the loss of two nurses, six nurse's aides, one part-time nurse's aide, and the closure of 26 beds. The \$5.7 million cut would have forced the closure of the Palmer Veterans Home and the Juneau Pioneer Home.

Alaska Psychiatric Institute (API)

The House recommendation to maintain stable funding was accepted. The proposed cut by the Senate would have eliminated premium pay for nursing staff. API is already struggling to recruit and maintain staff due to the complexity and acuity of its patient population. Without the financial incentive of premium pay, API will not be able to compete for highly qualified staff – which would have affected the health and safety of patients (and staff) in the hospital and increase the risk and cost to the State for workplace injury, inappropriate seclusion and restraint, delayed admissions, and patient complaints.

Front-line Social Workers

The House recommendation to reallocate about \$3.9 million in surplus funding from Public Assistance to the Office of Children's Services (OCS) was accepted. These funds will support

improved training the hiring of an additional 31 positions to help bring caseloads down to safer and more manageable levels, and closer to professional standards. Also, the Senate cut of \$886,200 was reduced to \$300,000 by the conference committee, which is likely to result in the elimination of positions responsible for ensuring quality foster care payment processing and other duties, and affecting the division's ability to locate and assess relatives for foster care placement.

Medical Assistance Administration

The House recommendation to maintain stable funding was accepted. The proposed cut by the Senate would have eliminated four positions and reduced the department's ability to address service provider complaints and customer service, resulting in delayed implementation of Medicaid reform initiatives. This funding receives an approximate match of 50% federal dollars.

McLaughlin Youth Center

The House recommendation to support the Governor's increase of \$100,000 was accepted. The proposed cut by the Senate would have resulted in the closure of the Community Detention Program (an alternative to detention) at both McLaughlin Youth Center and the Mat-Su Youth Facility. Community detention serves youth who commit low level offenses, who are not a serious risk to themselves or others, and who need additional supports, such as case dismissal, diversion, probation, treatment, etc. In FY16 the program diverted 183 youth from expensive beds in detention.

Nome Youth Facility

The conference committee accepted the following House language regarding the closure of the Nome Youth Facility: "House contingency language would keep the Nome Youth Facility open unless DHSS determines that closing it reduces costs. If the department concludes that opening the Nome Youth Facility is less expensive than closing it, \$1,693.9 is appropriated to keep the facility operating." Additional language read as follows: "In determining the cost of closure, the Department of Health and Social Services shall address all affected state agencies and municipalities and the costs of recidivism, reintegration, and rehabilitation of youth without diminishing the level of cultural services currently available at the Nome Youth Facility."

Alaska Temporary Assistance Program (ATAP)

The Senate's recommendation to cut \$3 million was accepted. This reduction, on top of last year's \$7 million reduction, will compound ATAP's existing maintenance of effort deficit and increase the need for a supplemental request in 2018 to avoid a penalty by the federal government. If the maintenance of effort threshold is not met, the federal government will reduce dollar-for-dollar the state's federal Temporary Assistance for Needy Families grant the following year. The program provides cash assistance and work services to low-income families with children to help with basic needs while they work to become self-sufficient.

Adult Public Assistance (APA)

The House recommendation to reduce surplus funding and give it to OCS Front Line Social Workers was accepted. APA provides cash assistance to Alaskans who are elderly, blind, or disabled to help them remain independent and in the community. DHSS projections indicated a reduced APA caseload, resulting in \$3.5 million of "excess" funding. The House proposed using \$3.3 million of this excess funding to support front line social workers in OCS. The Senate reduction would have eliminated the \$3.3 million transfer to OCS and cut an additional \$209,600, for a total of a \$3.5 million reduction to the program.

Public Assistance Field Services

The House recommendation to support the Governor's \$1.3 million increase was accepted. The proposed Senate cut would have eliminated 13 positions and result in the closure of public

assistance field offices in Homer, Kodiak, Sitka, and Kotzebue and reduced staff in Bethel. Thousands of Alaskans that depend on public assistance programs will have had to work through fee agents or through urban offices, increasing the delay in processing applications and determining eligibility for Medicaid, Food Stamps, and other programs. Most field services staff are case workers serving people who temporarily need public assistance to care for their families, with some caseloads as high as 100 families per worker. Field service staff provide training, conduct fraud investigations, collect claims, help develop plans for becoming self-sufficient, and measure the performance of the division's programs and staff.

Public Health Nursing

The Senate's recommended reduction was accepted, with some changes. Originally, the Senate proposed two cuts, one for \$793,000 and another for \$104,000, plus \$1,032.8 million. The compromise reduced the \$793,000 cut to \$84,200, and the \$1,137 million will be phased out over three years. The reductions will eliminate positions and force the closure of public health centers, adding to the recent elimination of 40 positions statewide, including the nurses that provided services in rural, off-the-road-system communities. Public health nurses provide community health services, including immunizations, prenatal counseling and postpartum outreach, SBIRT screening, senior care, well-child exams, TB screening and treatment, school screenings, STD screening, and health education. Community health centers cannot bill for the majority of services public health nursing provides, and would not be able to pick up those services, resulting in a loss of prevention health care in those communities.

Medicaid Behavioral Health

The Senate's recommended reduction was accepted, with some changes. Originally, the Senate proposed a \$462,000 cut, but agreed to add back \$262,000, with the final cut being \$200,000. Reductions in access to community behavioral health services will result in increased pressure on API, increased utilization of emergency departments, and long waits for treatment. Pre-trial diversion efforts would also be affected by limited access to treatment.

Medicaid Adult Preventative Dental

The House recommendation to maintain stable funding was accepted. The Senate's proposed 10% reduction would have resulted in some beneficiaries going without access to medically necessary dental care, which will result in higher utilization of other—particularly emergency rooms services for untreated abscesses, pain, and collateral health consequences from poor dental health.

Medicaid Optional Prescription Drugs

The House recommendation to maintain stable funding was accepted. The Senate's proposed cut would have resulted in further cost containment and prioritization of prescription medications, affecting psychiatric medication regimens and causing negative health consequences and reduced functioning that affect an individual's ability to work, go to school, parent, and remain stable in the community.

Day Habilitation

The Senate recommendation to add about \$1.5 million was accepted, with the following conditional language, "It is the intention of the legislature that the level of funding for day habilitation services in assisted living homes be sufficient to provide a 'soft cap' on recipients of up to 12 hours of services per week." Day habilitation services assist Alaskans with disabilities to acquire, retain, and improve the self-help, socialization, and adaptive skills necessary to live successfully in home and community-based settings. The services support recipients in increasing their independence; participating in community activities; learning, improving and retaining social skills; and providing a foundation of skills that promote employability.

Department of Education and Early Development (DEED)

Overall, the agency will receive +\$19.2 million more next year than in FY17.

- K-12 Aid to School Districts: +\$2.5 million (+.2%)
- Youth in Detention: stable
- Early Learning Coordination: +\$1.2 million (+14%)
- Pre-K: stable
- WWAMI: +\$50,000 (1.7%)

DEED Conference Committee Items:

Parents as Teachers

The House recommendation to maintain stable funding was accepted. The Senate's proposed \$500,000 cut would have eliminated the Alaska Parents as Teachers program, which provides parent education and family support services to families of young children in more than 50 communities and villages statewide. Certified parent educators work closely with parents to provide information and tools that promote language development, intellectual growth, social development, and motor skills.

Best Beginnings

The House recommendation to maintain stable funding was accepted. The Senate's proposed \$320,000 cut would have eliminated Alaska's Best Beginnings program, which serves families across the state by promoting early education and literacy. Best Beginnings is a public-private partnership that focuses on parent engagement and education, and community support for early childhood development.

Pre-K grants

The House recommendation to maintain stable funding was accepted. The Senate's proposed \$2 million cut would have eliminated grant funds for in-school preschool programs. School districts that receive Pre-K grants help children learn social and academic skills needed to be ready for kindergarten, through classroom based programs as well as community based Pre-K services like Head Start.

Department of Corrections (DOC)

Overall, Corrections will receive \$6.6 million less next year than this. Officials say staying within the budget will require SB 91 to be successful. Following are some programs of interest.

- Statewide Probation and Parole: +\$203,000 (+1.2%)
- Electronic Monitoring: -\$77,000 (-2.4%)
- Community Residential Centers: -\$7.6 million (-31%)
- Behavioral Health Care: -\$71,500 (.9%)
- Substance Abuse Treatment: +\$503,000 (1.2%)
- Recidivism Reduction Grants: stable

DOC Conference Committee Item:

Information Technology

The Senate recommendation to support the Governor's request to transfer \$546,000 for four positions from the closed Palmer Correctional Center to DOC's Information Technology (IT) section was accepted. These positions will assist implementation of a new Electronic Health Records (EHR) system and web aspects related to the new pretrial services division, improve IT infrastructure, and enhance DOC's ability to collect, monitor, and analyze data for reporting criminal justice reform outcomes. The House's recommendation would have eliminated the funds for these positions.

Department of Public Safety (DPS)

Overall, the agency will receive \$4.8 million more next year than this.

- Statewide Drug and Alcohol Unit: +\$212,000 (+2%)
- Domestic Violence/Sexual Assault: +\$1.4 million (+8.2%)

Department of Administration (DOA)

Overall, the agency will receive \$3.1 million more next year than this.

- Office of Public Advocacy: -\$3,000
- Public Defender Agency: +\$280,000 (+.5%)

Alaska Court System (ACS)

Overall, the agency will receive \$1.6 million less next year than this.

- Court System: -\$1.9 million (-1.9%)
- Therapeutic Courts: +\$266,000 (+5%)

** Many sources were used to compile this report including: a budget and bill analysis for the Alaska Mental Health Trust Authority, the Office of Management and Budget, Legislative Finance Division, and Bill Sponsor Statements and Sectional Analyses. Additionally, many people from various departments and organizations provided information and support including DHSS, DOC, DEED, Court System, Alaska Mental Health Board and Advisory Board on Alcoholism and Drug Abuse, Alaska Commission on Aging, Governor's Council on Disabilities and Special Education, and the Alaska Mental Health Trust Authority.*

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