

HOUSE JOURNAL
ALASKA STATE LEGISLATURE
TWENTY-FIFTH LEGISLATURE

Juneau, Alaska

Monday

January 22, 2007

Seventh Day

Pursuant to adjournment the House was called to order by Speaker Harris at 11:09 a.m.

Roll call showed 37 members present. Representative Joule had been excused from a call of the House today.

Representative Samuels moved and asked unanimous consent that Representative Gara be excused from a call of the House today because of illness. There being no objection, it was so ordered.

Representative Samuels moved and asked unanimous consent that Representative Kohring be excused from a call of the House from today to evening plane time, January 29 (amended from page 51). There being no objection, it was so ordered.

The invocation was offered by the Chaplain, the Reverend Paul Beran. Representative Dahlstrom moved and asked unanimous consent that the invocation be spread on the journal. There being no objection, it was so ordered.

Gracious God and Father of us all,

In the early morning of this legislative year we thank you for the privilege and responsibility entrusted to us as representatives of the diverse people of Alaska. Indelibly teach us that we do not own the rich resources which you have buried in the earth and caused to swim in the sea, but we are your managers for the common welfare of all the people.

Help us to hear the voices of the voiceless, to see the struggles of the single mom or dad, and to feel the invading cold of those homeless who sleep in tents or under bridges. Search us, O God, and know our heart. With purity of motive, compassion for others, and wisdom from thee, enable us to dream and then courageously forge new directions on the anvil of debate as we serve for the common good of all. This I pray in the name of the One who came not to be served but to serve, Jesus the Christ. Amen.

The Pledge of Allegiance was led by Representative Kerttula.

CERTIFICATION OF THE JOURNAL

Representative Samuels moved and asked unanimous consent that the journal for the first, second, third, fourth, fifth and sixth legislative days and House and Senate Joint Journal Supplement No. 1 be approved as certified by the Chief Clerk. There being no objection, it was so ordered.

INTRODUCTION OF CITATIONS

The following citations were introduced and referred to the Rules Committee for placement on the calendar:

Honoring – Homer Foundation
By Representative Seaton

Honoring – Helvi Sandvik, 2007 Junior Achievement Alaska Business Hall of Fame Laureate
By Senator French

In Memoriam – James Worster
By Representative Coghill

In Memoriam – Tom Schroder
By Representative Seaton

In Memoriam – Steve Hole
By Senator Wilken

The following citations were introduced and taken up later as a Special Order of Business:

Honoring – Clarence F. Kramer, 2007 Laureate, Junior Achievement Alaska Business Hall of Fame
By Representative Wilson

Honoring – Betsy Lawer, Junior Achievement Alaska Business Hall of Fame
By Representative Gara

Honoring – Ron Duncan, Junior Achievement Alaska Business Hall of Fame
By Senator McGuire

Honoring – Ron Cosgrave and Bruce Kennedy, Junior Achievement Alaska Business Hall of Fame
By Senator Cowdery

INTRODUCTION, FIRST READING, AND REFERENCE OF HOUSE RESOLUTIONS

HCR 1

HOUSE CONCURRENT RESOLUTION NO. 1 by Representatives Cissna and Gruenberg:

Relating to public health and a health compact.

was read the first time and referred to the Health, Education & Social Services Committee.

HCR 2

HOUSE CONCURRENT RESOLUTION NO. 2 by Representative Cissna:

Relating to an integrated statewide health-related information and referral system.

was read the first time and referred to the Health, Education & Social Services Committee.

**INTRODUCTION, FIRST READING, AND REFERENCE
OF HOUSE BILLS****HB 95**

HOUSE BILL NO. 95 by the House Rules Committee by request of the Governor, entitled:

"An Act making appropriations for the operating and loan program expenses of state government, for certain programs, and to capitalize funds; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska; and providing for an effective date."

was read the first time and referred to the Finance Committee.

The Governor's transmittal letter dated January 17, 2007, follows:

"Dear Speaker Harris:

Today I am transmitting to you my Fiscal Year 2008 operating budget bill. As I have stated previously, I view this bill as a starting point in the development of the Fiscal Year 2008 operating budget. This budget contains new funding for three of my priorities: \$48.1 million in general funds for local government support, \$33.7 million in general funds to restore the Longevity Bonus program, and approximately \$100,000 in general funds for an additional investigator in the Alaska Public Offices Commission.

As you know, the Alaska Retirement Management Board established the Fiscal Year 2008 retirement systems' rates to include payback of the systems' unfunded liabilities of \$8.6 billion over 25 years. Those rate increases, of course, have resulted in cost increases to the tune of \$178.4 million in general funds and \$62 million in federal and other funds for the Executive Branch, the Legislature, the Court System, and the University of Alaska, which are included in this budget. The bill also includes \$77.5 [million] for the retirement systems' increases for local governments. Together with the school districts' retirement systems' cost increases of \$207.4 million in general funds contained in my stand-alone K-12 Education budget bill, the retirement systems' cost increases account for \$463.3 million in general funds, or roughly

13% of the entire Fiscal Year 2008 general funds budget. My administration will review the retirement systems' data and make recommendations for a long-term solution.

One of my goals is to have state government live within its means. To that end, the budget bill includes an unallocated reduction of \$150.0 million in general funds for the Executive Branch. I look forward to beginning the discussion with my new cabinet and with the Legislature of where best to reduce the budget. I certainly hope that you will also look at the Legislature's and Court System's budgets to identify any cost-savings within those branches of government that might possibly be applied against the \$150 million target.

I look forward to working with you to develop a cost-effective budget for the upcoming fiscal year.

Sincerely,

/s/

Sarah Palin
Governor"

HB 96

HOUSE BILL NO. 96 by the House Rules Committee by request of the Governor, entitled:

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; and providing for an effective date."

was read the first time and referred to the Finance Committee.

The Governor's transmittal letter dated January 17, 2007, follows:

"Dear Speaker Harris:

I am today transmitting a separate Fiscal Year 2008 appropriations bill for the state's comprehensive mental health program. As required by statute, it includes both operating and capital appropriations and is

accompanied by a report outlining the differences between the recommendations of the Alaska Mental Health Trust Authority and my budget.

The proposed mental health budget represents a cooperative effort between state agencies, the Trustees, and Trust Authority staff. Coupled with the resources that have been appropriated in recent years, these productive working relationships have made a positive difference for Alaska's mental health beneficiaries.

I look forward to working with the Legislature to secure passage of this budget bill.

Sincerely,

/s/

Sarah Palin
Governor"

A letter dated January 18, 2007, with an accompanying spreadsheet, to the Alaska Mental Health Trust Authority from Karen J. Rehfeld, Director, Office of Management and Budget, was attached (as required by AS 37.14.003) and is on file in the Chief Clerk's office.

HB 97

HOUSE BILL NO. 97 by the House Rules Committee by request of the Governor, entitled:

"An Act making appropriations for state aid to public schools, centralized correspondence study, and transportation of pupils; and providing for an effective date."

was read the first time and referred to the Health, Education & Social Services and Finance Committees.

The Governor's transmittal letter dated January 17, 2007, follows:

"Dear Speaker Harris:

The K-12 education budget bill that I am transmitting to you today fully funds K-12 education for Fiscal Year 2008. In addition, I have

included \$35 million in general funds to maintain the same level of funding to school districts as was received in Fiscal Year 2007 for a \$24 million cost factor adjustment and \$11 million for school improvement grants. I have also added \$207.4 million in general funds for the Fiscal Year 2008 estimated retirement systems' cost increases to school districts.

Education funding is a priority of my administration. I look forward to working with you to secure quick passage of this budget bill.

Sincerely,

/s/

Sarah Palin
Governor"

HB 98

HOUSE BILL NO. 98 by the House Rules Committee by request of the Governor, entitled:

"An Act making appropriations, including capital appropriations, supplemental appropriations, and appropriations to capitalize funds; and providing for an effective date."

was read the first time and referred to the Finance Committee.

The Governor's transmittal letter dated January 17, 2007, follows:

"Dear Speaker Harris:

The capital budget bill that I am transmitting to you today currently contains just the minimum level of general funds necessary to secure federal or other matching funds. This budget is the starting point for discussion and negotiation with the Legislature. I look forward to working with you to craft a final capital budget that meets the needs of Alaskans and lives within our means.

Sincerely,

/s/

Sarah Palin
Governor"

HB 99

HOUSE BILL NO. 99 by the House Rules Committee by request of the Governor, entitled:

"An Act making a special appropriation to the principal of the permanent fund; and providing for an effective date."

was read the first time and referred to the Finance Committee.

The following fiscal note(s) apply:

1. Zero, Dept. of Revenue

The Governor's transmittal letter dated January 17, 2007, follows:

"Dear Speaker Harris:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill making a special appropriation to the principal of the permanent fund.

The bill appropriates the balance of the earnings reserve account of the permanent fund less \$1,730,000,000, less inflation proofing for Fiscal Year 2007, less the amount authorized for payment of permanent fund dividends in 2007, and less the amount of the Amerada Hess earnings deposited into the Alaska capital income fund for Fiscal Year 2007. Similar appropriations were made in 1986 and 1997.

The deposit into the principal of the Permanent Fund by this legislation is projected to be \$1,308,000,000 on June 30, 2007. This appropriation will be the second largest deposit into the corpus of the Permanent Fund in history.

My reason for introducing this bill is based on a strong desire to see that the Permanent Fund is protected and built up to provide for future generations.

I urge your prompt and favorable action on this measure.

Sincerely,
/s/
Sarah Palin
Governor"

HOUSE BILL NOS. 100 and 101 were introduced January 16, 2007.

HB 102

HOUSE BILL NO. 102 by Representatives Coghill and Dahlstrom, entitled:

"An Act relating to vacating lanes or slowing down for certain vehicles stopped along the side of a road."

was read the first time and referred to the Transportation and Judiciary Committees.

HB 103

HOUSE BILL NO. 103 by Representative Coghill, entitled:

"An Act amending Rule 62, Alaska Rules of Civil Procedure, to limit the amount of the bond required to stay execution of a judgment in a civil litigation during an appeal or review; and amending Rules 204 and 205, Alaska Rules of Appellate Procedure, to limit the amount of the bond required to stay execution of a judgment in a civil litigation during an appeal."

was read the first time and referred to the Judiciary Committee.

HB 104

HOUSE BILL NO. 104 by Representatives Ramras and Wilson, entitled:

"An Act extending the termination date for the Board of Marine Pilots; and providing for an effective date."

was read the first time and referred to the Labor & Commerce and Finance Committees.

HB 105

HOUSE BILL NO. 105 by Representatives Kawasaki and Lynn, entitled:

"An Act repealing the fee imposed on the sale of studded tires."

was read the first time and referred to the Transportation and Finance Committees.

HB 106

HOUSE BILL NO. 106 by the House Rules Committee by request of the Governor, entitled:

"An Act repealing fees imposed on the sale of new tires, the sale of certain studded tires, and the installation of certain metal studs on tires; and providing for an effective date."

was read the first time and referred to the Transportation and Finance Committees.

The following fiscal note(s) apply:

1. Fiscal, Dept. of Revenue

The Governor's transmittal letter dated January 17, 2007, follows:

"Dear Speaker Harris:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill repealing fees imposed on the sale of new tires, the sale of certain studded tires, and the installation of certain metal studs on tires. Families in Alaska should not be financially penalized by purchasing safer tires for their vehicle.

Current law imposes a fee of \$2.50 a tire on the retail sale of new tires for motor vehicles designed for use on a highway. Current law also imposes an additional fee of \$5.00 a tire on the retail sale of new tires

that are studded with metal studs weighing more than 1.1 grams each and on the installation of such metal studs on tires.

The attached bill would repeal all of those fees, effective July 1, 2007.

I urge your prompt and favorable action on this measure.

Sincerely,
/s/
Sarah Palin
Governor"

HB 107

HOUSE BILL NO. 107 by the House Rules Committee by request of the Governor, entitled:

"An Act making appropriations for qualified regional seafood development associations, for investigation and litigation relating to the public employees' retirement system and the teachers' retirement system, and for a special advisory election; and providing for an effective date."

was read the first time and referred to the Finance Committee.

The Governor's transmittal letter dated January 17, 2007, follows:

"Dear Speaker Harris:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill making appropriations for qualified regional seafood development associations; for investigation and litigation relating to the public employees' retirement system and the teachers' retirement system; and for a special advisory election.

This early supplemental appropriation is comprised of items that require timely approval by the Legislature. Other supplemental requests are currently being reviewed by my Office of Management and Budget, and will be submitted to the Legislature in a separate appropriation bill at a later date.

Section 1 of the bill would appropriate the amount of the seafood development tax collected under AS 43.76.350 - 43.76.399 in calendar year 2005 and deposited in the general fund under AS 43.76.380(d) to the Department of Commerce, Community, and Economic Development to provide financial assistance in Fiscal Year 2007 to qualified regional seafood development associations.

Section 2 of the bill would appropriate a total of \$12,000,000, of which about 69 percent would come from the public employees' retirement system fund and about 31 percent from the teachers' retirement system fund, for use in an investigation and proposed litigation related to actuarial services received by the State of Alaska. The investigation would conclude in Fiscal Year 2007, and the proposed litigation is contemplated to commence later in that fiscal year. The amount of the appropriations is the estimated costs to complete the investigation and take the case from inception through trial. The final actual costs may be more or less. Through the budget process, and on request, the Department of Law would provide reports regarding the status of the litigation and the expenditures from the appropriations.

The appropriations in sec. 2 of the bill would be entirely financed by a recent litigation settlement benefiting the public employees' retirement system fund and the teachers' retirement system fund. The Alaska Retirement Management Board recently settled its claim against Time Warner for securities fraud -- the proceeds for those funds from that litigation totaled \$15,600,000. The Alaska Retirement Management Board supports using \$12,000,000 of those proceeds to finance the investigation and proposed litigation for which the appropriations in this bill would be used.

Section 3 of the bill would appropriate \$1,156,300 from the general fund to the Office of the Governor, division of elections, for the costs associated with the April 3, 2007, special advisory election required by ch. 1, FSSLA 2006, on the subject of employment benefits for same-sex partners of public employees and retirees.

Because these items need Legislative approval in a timely manner, I urge your prompt and favorable action on this measure as soon as possible.

Sincerely,

/s/

Sarah Palin
Governor"

CONSIDERATION OF THE DAILY CALENDAR

LEGISLATIVE CITATIONS

Representative Samuels moved and asked unanimous consent that the House approve the citations on the calendar. There being no objection, the following citations were approved and sent to enrolling:

Honoring – Russel Hyde Merrill, Alaska Aviation Hall of Fame

By Representatives Hawker, Samuels, Harris, Chenault, Cissna, Coghill, Crawford, Dahlstrom, Doogan, Foster, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Holmes, Johansen, Joule, Kelly, Kerttula, LeDoux, Lynn, Meyer, Nelson, Neuman, Olson, Ramras, Roses, Salmon, Seaton, Stoltze, Thomas, Wilson

Honoring – Frances Alverta Macon

By Senator Davis; Representatives Harris, Chenault, Cissna, Crawford, Dahlstrom, Doogan, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Holmes, Johansen, Joule, Kerttula, LeDoux, Lynn, Meyer, Nelson, Neuman, Olson, Ramras, Roses, Salmon, Samuels, Seaton, Stoltze, Thomas, Wilson

Honoring – Elizabeth Peratrovich Day

By Senator Davis: Representatives Harris, Chenault, Cissna, Coghill, Crawford, Dahlstrom, Doogan, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Holmes, Johansen, Joule, Kelly, Kerttula, LeDoux, Lynn, Meyer, Nelson, Neuman, Olson, Ramras, Roses, Salmon, Samuels, Seaton, Stoltze, Thomas, Wilson

In Memoriam – William "Billy" Franklin Brown, Alaska Army National Guard Soldier

By Representatives Joule, Harris, Chenault, Cissna, Coghill, Crawford, Dahlstrom, Doogan, Foster, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Holmes, Johansen, Kelly, Kerttula, LeDoux, Lynn, Meyer, Nelson, Neuman, Olson, Ramras, Roses, Salmon, Samuels, Seaton, Stoltze, Thomas, Wilson

In Memoriam – Bessie Higgins

By Senator Davis; Representatives Harris, Chenault, Cissna, Coghill, Crawford, Dahlstrom, Doogan, Foster, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Holmes, Johansen, Joule, Kerttula, LeDoux, Lynn, Meyer, Nelson, Neuman, Olson, Ramras, Roses, Salmon, Samuels, Seaton, Stoltze, Thomas, Wilson

In Memoriam – Sharon Parker

By Senator Davis; Representatives Harris, Chenault, Cissna, Coghill, Crawford, Dahlstrom, Doogan, Foster, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Holmes, Johansen, Joule, Kerttula, LeDoux, Lynn, Meyer, Nelson, Neuman, Olson, Ramras, Roses, Salmon, Samuels, Seaton, Stoltze, Thomas, Wilson

UNFINISHED BUSINESS

Representative Samuels moved and asked unanimous consent that the following members be excused from a call of the House. There being no objection, the members were excused as noted:

Representative LeDoux - from 8:00 p.m., January 24 to morning plane time, January 29

Representative Lynn - from 11:45 a.m. to 1:00 p.m., today

Representative Wilson - from 8:00 p.m., January 24 to morning plane time, January 27

Representative Foster - from 11:30 a.m. to 6:00 p.m., each Monday, Wednesday, and Friday for the duration of the legislative session

SPECIAL ORDER OF BUSINESS

Representative Samuels moved and asked unanimous consent that the notice and publication requirements be waived and the citation, Honoring – Ron Duncan, Junior Achievement Alaska Business Hall of Fame, be taken up as a Special Order of Business. There being no objection, it was so ordered. Representative Samuels moved and asked unanimous consent that the citation be approved. There being no objection, it was so ordered.

Representative Samuels moved and asked unanimous consent that the notice and publication requirements be waived and the citation, Honoring – Ron Cosgrave and Bruce Kennedy, Junior Achievement Alaska Business Hall of Fame, be taken up as a Special Order of Business. There being no objection, it was so ordered. Representative Samuels moved and asked unanimous consent that the citation be approved. There being no objection, it was so ordered.

Representative Samuels moved and asked unanimous consent that the notice and publication requirements be waived and the citation, Honoring – Betsy Lawer, Junior Achievement Alaska Business Hall of Fame, be taken up as a Special Order of Business. There being no objection, it was so ordered. Representative Samuels moved and asked unanimous consent that the citation be approved. There being no objection, it was so ordered.

Representative Samuels moved and asked unanimous consent that the notice and publication requirements be waived and the citation, Honoring – Clarence F. Kramer, 2007 Laureate, Junior Achievement Alaska Business Hall of Fame, be taken up as a Special Order of Business. There being no objection, it was so ordered. Representative Samuels moved and asked unanimous consent that the citation be approved. There being no objection, it was so ordered.

The following citations were sent to enrolling:

Honoring – Clarence F. Kramer, 2007 Laureate, Junior Achievement Alaska Business Hall of Fame

By Representatives Wilson, Harris, Chenault, Cissna, Coghill, Crawford, Dahlstrom, Doll, Fairclough, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Holmes, Johansen, Johnson, Kelly, Kerttula, LeDoux, Lynn, Meyer, Nelson, Neuman, Olson, Ramras, Roses, Salmon, Samuels, Seaton, Stoltze, Thomas

Honoring – Betsy Lawer, Junior Achievement Alaska Business Hall of Fame

By Representatives Gara, Harris, Chenault, Cissna, Coghill, Crawford, Dahlstrom, Doll, Fairclough, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Holmes, Johansen, Johnson, Kelly, Kerttula, LeDoux, Lynn, Meyer, Nelson, Neuman, Olson, Ramras, Roses, Salmon, Samuels, Seaton, Stoltze, Thomas, Wilson

Honoring – Ron Duncan, Junior Achievement Alaska Business Hall of Fame

By Senator McGuire; Representatives Harris, Chenault, Cissna, Coghill, Crawford, Dahlstrom, Doll, Fairclough, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Holmes, Johansen, Johnson, Kelly, Kerttula, LeDoux, Lynn, Meyer, Nelson, Neuman, Olson, Ramras, Roses, Salmon, Samuels, Seaton, Stoltze, Thomas, Wilson

Honoring – Ron Cosgrave and Bruce Kennedy, Junior Achievement Alaska Business Hall of Fame

By Senator Cowdery; Representatives Harris, Chenault, Cissna, Coghill, Crawford, Dahlstrom, Doll, Fairclough, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Holmes, Johansen, Johnson, Kelly, Kerttula, LeDoux, Lynn, Meyer, Nelson, Neuman, Olson, Ramras, Roses, Salmon, Samuels, Seaton, Stoltze, Thomas, Wilson

UNFINISHED BUSINESS

HB 6

Representative Dahlstrom removed her name as joint prime sponsor to:

HOUSE BILL NO. 6

"An Act relating to campaign contributions by groups that are not political parties; and providing for an effective date."

HB 20

Representatives Lynn and Olson added their names as cosponsors to:

HOUSE BILL NO. 20

"An Act relating to disclosure of campaign contributions; prohibiting spouses and domestic partners of legislators and legislative employees from receiving compensation for lobbying; and prohibiting legislators and legislative employees from entering into contracts to provide consulting services."

HB 69

Representatives Thomas and Dahlstrom added their names as cosponsors to:

HOUSE BILL NO. 69

"An Act relating to executive clemency."

ANNOUNCEMENTS

House committee schedules are published daily under separate cover.

ADJOURNMENT

Representative Samuels moved and asked unanimous consent that the House adjourn until 10:00 a.m., January 24, 2007. There being no objection, the House adjourned at 11:43 a.m.

Suzi Lowell
Chief Clerk