

**SENATE JOURNAL**  
**ALASKA STATE LEGISLATURE**  
**THIRTY-SECOND LEGISLATURE**  
**FIRST SESSION**

**Juneau, Alaska**

**Friday**

**January 29, 2021**

**Eleventh Day**

Pursuant to adjournment the Senate was called to order by President Micciche at 10:33 a.m.

The roll showed eighteen members present. Senator Olson was excused from a call of the Senate. Senator Shower was absent.

The prayer was offered by the Chaplain, Senator Holland. Senator Hoffman moved and asked unanimous consent the prayer be spread. Without objection, it was so ordered.

God of peace, please preside over this meeting. Even as we may have differing opinions, give us unity of spirit. Help us to each listen as others share their points of view. Help us to work as a unified team in combining ideas for a greater outcome. May we have a spirit of camaraderie in this room and work together on our shared mission. Amen.

Senator Hughes led the Senate in the Pledge of Allegiance.

**Certification**

Senator Hughes moved and asked unanimous consent the journals for the ninth and tenth legislative days be approved as certified by the Secretary. Without objection, it was so ordered.

**Communications**

The following reports are on file in the Office of the Secretary of the Senate:

Department of Environmental Conservation  
Annual Loan Fund Report FY 2020  
Alaska Drinking Water and Clean Water Funds  
in accordance with AS 37.05.035

**Introduction and Reference of  
Senate Resolutions****SCR 1**

SENATE CONCURRENT RESOLUTION NO. 1 BY SENATOR STEVENS,

Suspending Rules 24(a) and 34(c), Uniform Rules of the Alaska State Legislature, in response to the COVID-19 pandemic; authorizing the presiding officers to allow members to attend a session by videoconference or teleconference in certain circumstances related to the COVID-19 pandemic; and relating to sessions where members are authorized to attend a session by videoconference or teleconference.

was read the first time and held on the Secretary's desk.

**Introduction and Reference of Senate Bills**

**SB 57**

SENATE BILL NO. 57 BY SENATOR HUGHES, entitled:

"An Act establishing a violation for hindering the Alaska Sunset Commission; relating to the Legislative Budget and Audit Committee; relating to the duties of the legislature; relating to the legislative audit division and the legislative finance division; establishing the Alaska Sunset Commission to review and make recommendations on discontinuation of or changes to state entities; and relating to the powers and duties of the Alaska Sunset Commission."

was read the first time and referred to the State Affairs, Judiciary and Finance Committees.

**SB 58**

SENATE BILL NO. 58 BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR, entitled:

"An Act relating to funding for correspondence programs; and providing for an effective date."

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

The following fiscal information was published today:

Fiscal Note No. 1, Department of Education and Early Development

Fiscal Note No. 2, zero, Department of Education & Early Development

Governor's transmittal letter dated January 28:

Dear President Micciche:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill relating to state funding for correspondence programs operated by school districts.

This bill makes changes to the “average daily membership” (ADM) and how it is adjusted in the formula under AS 14.17.410 for funding school operational costs. ADM is a defined term under AS 14.17.990(1). An ADM is essentially equivalent to one student, as measured by fulltime attendance in a 20-day October count period. The starting point for calculating basic need in the formula is the ADM of each school. That number is subject to adjustment in various ways to reflect the cost of education more accurately in different places and for different students in the state. After the various adjustments in the formula are calculated, the adjusted ADM is then multiplied by the base student allocation under AS 14.17.470 (a general reflection of per student cost) to determine basic need. Currently, 90 percent of the ADM of correspondence students in a district is added to the ADM after various adjustments. This means that under current law a district does not receive the full value of an ADM for a correspondence student nor the extra funding (the ADM multipliers) for special needs students and secondary vocational and technical instruction in a correspondence program.

The bill would increase state funding to districts for correspondence programs in two ways. First, under AS 14.17.430, the funding eligibility calculation for correspondence programs (including a centralized correspondence program, if re-instituted) would be based on the full value of an ADM rather than the current value of 90 percent of an ADM. Second, under AS 14.17.410(b)(1)(C), the ADM of correspondence students would be included in the funding formula before the multipliers for special needs students and secondary school vocational and technical instruction are applied to the ADM of the district.

I urge your prompt and favorable action on this measure.

Sincerely,

/s/

Mike Dunleavy  
Governor

**SB 59**

SENATE BILL NO. 59 BY THE SENATE RULES COMMITTEE  
BY REQUEST OF THE GOVERNOR, entitled:

"An Act relating to salt water sport fishing operators  
and salt water sport fishing guides; and providing for  
an effective date."

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

The following fiscal information was published today:

Fiscal Note No. 1, Department of Fish and Game

Governor's transmittal letter dated January 28:

Dear President Micciche:

Under the authority of Article III, Section 18, of the Alaska  
Constitution, I am transmitting a bill regarding sportfish guide and  
operator licensing.

This bill would reinstitute the saltwater sportfishing guide and  
operator licensing standards, saltwater guide and operator fees, and  
logbook reporting requirements for those saltwater guides. The  
logbook data provided by saltwater fishing guides and services  
provides critical information that informs sustainable fisheries  
management decisions under treaties for the management of halibut  
and salmon. Further, the Board of Fisheries management plans benefit  
from updated and complete information. This bill would establish  
license fees for saltwater sportfishing guide services and set  
responsible operating standards for guides. These standards are

designed to ensure a level of professionalism to protect Alaskans and visitors who use the saltwater guide industry, but they do not establish overly-burdensome or unnecessary requirements not directly related to key sportfishing components. This type of "right-sized" state law allows for a robust industry while still protecting our fisheries resources and users of the industry services.

I urge your prompt and favorable action on this measure.

Sincerely,

/s/

Mike Dunleavy

Governor

**SB 60**

SENATE BILL NO. 60 BY THE SENATE RULES COMMITTEE  
BY REQUEST OF THE GOVERNOR, entitled:

"An Act establishing the sport fishing hatchery facilities account; establishing the sport fishing facility surcharge; and providing for an effective date."

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

The following fiscal information was published today:

Fiscal Note No. 1, Department of Fish and Game

Governor's transmittal letter dated January 28:

Dear President Micciche:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill relating to sportfish hatchery bond surcharges.

This bill would allow the Department of Fish and Game to continue to collect a sportfishing license surcharge that expired on January 1, 2021. The expired sportfishing facility surcharge was collected in order to pay off bonds issued to construct and renovate two hatcheries. The surcharge also funded increases in hatchery

production in Southeast Alaska. The statutes authorizing the bonds and the surcharge sunsetted following the repayment of the bond obligations, but the funds collected provided significant benefits to Alaska's sport fishing community. This bill would reinstate statutory authority for the department to collect a reduced surcharge to fund ongoing maintenance and operation of the department's sport fishing hatchery facilities, so they can continue providing hatchery salmon for sport fishing in Southeast Alaska. This is an effective way to support economic development with only a small surcharge; accordingly, I urge your prompt and favorable action on this measure.

Sincerely,

/s/

Mike Dunleavy  
Governor

**SB 61**

SENATE BILL NO. 61 BY THE SENATE RULES COMMITTEE  
BY REQUEST OF THE GOVERNOR, entitled:

"An Act authorizing the commissioner of natural  
resources to modify a net profit share lease."

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

The following fiscal information was published today:

Fiscal Note No. 1, indeterminate, Department of Natural  
Resources

Fiscal Note No. 2, indeterminate, Department of Revenue

Governor's transmittal letter dated January 28:

Dear President Micciche:

Under the authority of Article III, Section 18, of the Alaska  
Constitution, I am transmitting a bill authorizing the renegotiation of  
North Slope net profit share leases.

The bill would authorize the commissioner of the Department of Natural Resources to modify North Slope net profit share leases where net profit share has hindered development of known oil and gas pools within units because of the percentage of profits returned to the state in addition to royalties and taxes. Modifications to net profit shares would be consistent with the existing royalty modification process. The bill would allow the commissioner to modify a net profit share lease to encourage production or prolong production or economic life of an oil or gas field or pool. A modification, however, could not result in a share reserved to the state of less than 10 percent of the net profit derived from the lease.

The benefits of the bill would include incentivizing development and production of known oil and gas resources within units in production or in non-unitized areas with net profit share leases. An increase in development and production on the North Slope would generate additional revenue for the state; that result requires modification of leases to reflect production realities. I urge your prompt and favorable action on this bill.

Sincerely,

/s/

Mike Dunleavy

Governor

**SB 62**

SENATE BILL NO. 62 BY THE SENATE RULES COMMITTEE  
BY REQUEST OF THE GOVERNOR, entitled:

"An Act relating to surface use restrictions for oil and gas leases; relating to gas leases in Kachemak Bay; relating to the renewable energy grant fund; and providing for an effective date."

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

The following fiscal information was published today:

Fiscal Note No. 1, zero, Department of Natural Resources



Governor's transmittal letter dated January 28:

Dear President Micciche:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill relating to non-surface oil and gas leases in areas with surface use restrictions.

Protections set out in AS 38.05.184 preclude Alaska from leasing various tracts of state land for gas development. The gas reservoirs in Cook Inlet do not abide by lines demarcated by AS 38.05.184. Indeed, certain surface leases on both state and private onshore land in the Cook Inlet area have the potential to produce gas from adjacent deposits lying beneath the seabed. Without this legislation, the state may be left without a clear mechanism to collect royalties from gas being produced from such undersea areas by adjacent leaseholders.

The proposed bill would open a small portion of land in the southern Kenai Peninsula to non-surface leasing. Specifically, the bill would allow the Department of Natural Resources to offer non-surface, gas-only leases within Township 5 South, Range 15 West, Seward Meridian. The sale of the leases would follow the process provided by AS 38.05.180. Lessees would be prohibited from using the surface of the leased area to drill for or extract gas, allowing the State of Alaska to collect royalties on gas that might otherwise be produced by adjacent leaseholders. By prohibiting surface use, the bill adequately protects the habitat while ensuring the state obtains its fair share of gas produced from state land.

The bill would also add a new section to the Alaska Land Act to clarify that, when a statute restricts the surface use of an oil and gas lease area, it does not also restrict subsurface uses unless specifically provided. Adding this section would pave the way to allow subsurface oil and gas leasing in additional areas in the future.

The bill would also authorize appropriations from the proceeds of the gas-only lease sales to the renewable energy grant fund, after constitutional deposits are made to the Alaska Permanent Fund.

I urge your prompt and favorable action on this measure.

Sincerely,

/s/

Mike Dunleavy  
Governor

**SB 63**

SENATE BILL NO. 63 BY SENATOR BISHOP, entitled:

"An Act relating to the appointment of a temporary guardian for a missing person; and amending Rule 17, Alaska Rules of Probate Procedure."

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

**SB 64**

SENATE BILL NO. 64 BY SENATOR STEVENS, entitled:

"An Act relating to management of enhanced stocks of shellfish; authorizing certain nonprofit organizations to engage in shellfish enhancement projects; relating to application fees for salmon hatchery permits and shellfish enhancement project permits; allowing the Alaska Seafood Marketing Institute to market aquatic farm products; and providing for an effective date."

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

**Unfinished Business**

Senator Kawasaki moved and asked unanimous consent to be excused from a call of the Senate from morning plane time, February 9 through evening plane time, February 10. Without objection, Senator Kawasaki was excused.

**SB 63**

Senator Myers moved and asked unanimous consent to be shown as a cosponsor on SENATE BILL NO. 63 "An Act relating to the appointment of a temporary guardian for a missing person; and amending Rule 17, Alaska Rules of Probate Procedure." Without objection, it was so ordered.

**Announcements**

Announcements are at the end of the journal.

**Adjournment**

Senator Hughes moved and asked unanimous consent the Senate stand in adjournment until 11:00 a.m., February 1, 2021. Without objection, the Senate adjourned at 10:49 a.m.

Liz Clark  
Secretary of the Senate

**Announcements**

Americans with Disabilities Act Notice - Persons with disabilities who require special accommodation or alternative communication formats to access committee meetings may contact the appropriate committee office or the Legislative Information Office in their community. Reasonable advance notice is needed to accommodate the request. For further information, call the ADA Coordinator at 465-3854 Voice/465-4980 TDD.

**STANDING COMMITTEES**

+ indicates teleconference

= indicates bill previously heard/scheduled

**COMMUNITY & REGIONAL AFFAIRS**

<b>Feb 02</b>	<b>Tuesday</b> No Meeting Scheduled	<b>Beltz 105 (tsbldg)</b>	<b>3:30 PM</b>
<b>Feb 04</b>	<b>Thursday</b> No Meeting Scheduled	<b>Beltz 105 (tsbldg)</b>	<b>3:30 PM</b>

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**EDUCATION**

<b>Jan 29</b> +	<b>Friday</b> Department of Education & Early Development Introduction & Update by Commissioner Johnson	<b>Butrovich 205</b>	<b>9:00 AM</b>
<b>Feb 01</b> +	<b>Monday</b> Presentation: "Outstanding & Emerging Issues in K-12 Education" by Dr. Lisa Parady, Executive Director, Alaska Council of School Administrators, Norm Wooten, Director of Advocacy, Association of Alaska School Boards & Tom Klaamyer, President, National Education Association -- Testimony <Invitation Only> -- **Streamed live on AKL.tv**	<b>Butrovich 205</b>	<b>9:00 AM</b>

**EDUCATION (continued)**

**Feb 03**            **Wednesday**                            **Butrovich 205**            **9:00 AM**  
 +                    Presentation:  
 "Update on the University of Alaska System" by  
 Interim UA President Pat Pitney  
 -- Testimony <Invitation Only> --  
 \*\*Streamed live on AKL.tv\*\*

**Feb 05**            **Friday**                                    **Butrovich 205**            **9:00 AM**  
 +    SB 19    EXTEND SPECIAL EDUCATION SERVICE AGENCY  
 -- Testimony <Invitation Only> --  
 \*\*Streamed live on AKL.tv\*\*

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**FINANCE**

**Jan 29**            **Friday**                                    **Senate Finance 532**            **9:00 AM**  
 +                    Office of Management & Budget - Governor's FY22  
 Budget Proposal by Neil Steinger, Director

**Feb 01**            **Monday**                                    **Senate Finance 532**            **9:00 AM**  
 +                    - Continuation of OMB Presentation from 1/29/2021  
 by Neil Steinger, OMB  
 +                    - Legislative Finance Division - FY22 Fiscal  
 Overview by Alexei Painter, Director

**Feb 02**            **Tuesday**                                    **Senate Finance 532**            **9:00 AM**  
 +                    Savings Accounts & Budget Reserves by  
 Pam Leary, Treasury Director  
 +                    State Debt & Investment Funds Update by  
 Deven Mitchell, Debt Manager

**Feb 03**            **Wednesday**                                    **Senate Finance 532**            **9:00 AM**  
 +    SB 50    APPROP: CAP; REAPPROP; SUPP; AMEND  
 +                    Capital Budget Presentation by Neil Steinger,  
 OMB Director

**Feb 04**            **Thursday**                                    **Senate Finance 532**            **9:00 AM**  
 +                    Confirmation Hearing:  
 - Commissioner of Revenue Lucinda Mahoney  
 +                    Alaska Permanent Fund Corporation by  
 Angela Rodell, Chief of Executive Officer

**FINANCE (continued)**

**Feb 05**      **Friday**                              **Senate Finance 532**                      **9:00 AM**  
 +              PERS/TRS Update, FY22 Payment by:  
 - Ajay Desai, Director of the Division of Retirement & Benefits  
 - Jim Puckett, Deputy Director  
 - Emily Ricci, Chief Health Policy Administrator  
 - Kevin Worley, Chief Financial Officer

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**HEALTH & SOCIAL SERVICES**

**Feb 02**      **Tuesday**                              **Butrovich 205**                      **1:30 PM**  
 +      SB 56      EXTENDING COVID 19 DISASTER EMERGENCY  
 -Invited Testimony Followed by Public Testimony-  
 \*\*Streamed live on AKL.tv\*\*

**Feb 04**      **Thursday**                              **Butrovich 205**                      **1:30 PM**  
 +              Bills Previously Heard/Scheduled

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**JUDICIARY**

**Jan 29**      **Friday**                              **Butrovich 205**                      **1:30 PM**  
 -- MEETING CANCELED --  
 -- Testimony <Invitation Only> --  
 -- Please Note Location Change --  
 +              Overview:  
 Continued COVID Health Orders & Impact on Alaskans by Department of Law & Department of Health & Social Services  
 +              Bills Previously Heard/Scheduled

**Feb 01**      **Monday**                              **Butrovich 205**                      **1:30 PM**  
 +              Disaster Declaration, Extensions - Relating to COVID  
 -- Testimony <Invitation Only> --  
 +              Department of Health & Social Services  
 \*\*Streamed live on AKL.tv\*\*

**JUDICIARY (continued)**

<b>Feb 03</b>	<b>Wednesday</b>	<b>Butrovich 205</b>	<b>1:30 PM</b>
+	Disaster Declaration, Extensions & Liability Relating to COVID		
+	SB 14	SELECTION AND REVIEW OF JUDGES -- Testimony <Invitation Only> -- **Streamed live on AKL.tv**	
<b>Feb 05</b>	<b>Friday</b>	<b>Butrovich 205</b>	<b>1:30 PM</b>
+	Disaster Declaration, Extensions - Relating to COVID		
+	-- Invited & Public Testimony --		
+	Confirmation Hearings: To be Announced		
+	Bills Previously Heard/Scheduled		

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**LABOR & COMMERCE**

<b>Jan 29</b>	<b>Friday</b>	<b>Beltz 105 (tsbldg)</b>	<b>1:30 PM</b>
	No Meeting Scheduled		
<b>Feb 01</b>	<b>Monday</b>	<b>Beltz 105 (tsbldg)</b>	<b>1:30 PM</b>
	No Meeting Scheduled		
<b>Feb 03</b>	<b>Wednesday</b>	<b>Beltz 105 (tsbldg)</b>	<b>1:30 PM</b>
	No Meeting Scheduled		
<b>Feb 05</b>	<b>Friday</b>	<b>Beltz 105 (tsbldg)</b>	<b>1:30 PM</b>
	No Meeting Scheduled		

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**RESOURCES**

<b>Jan 29</b>	<b>Friday</b>	<b>Butrovich 205</b>	<b>3:30 PM</b>
	No Meeting Scheduled		
<b>Feb 01</b>	<b>Monday</b>	<b>Butrovich 205</b>	<b>3:30 PM</b>
	No Meeting Scheduled		

**RESOURCES (continued)**

<b>Feb 03</b> +	<b>Wednesday</b> Overview: To be Determined -- Testimony <Invitation Only> -- **Streamed live on AKL.tv**	<b>Butrovich 205</b>	<b>3:30 PM</b>
<b>Feb 05</b>	<b>Friday</b> No Meeting Scheduled	<b>Butrovich 205</b>	<b>3:30 PM</b>

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**STATE AFFAIRS**

<b>Feb 02</b> + SB 43 + SB 25 += SB 39	<b>Tuesday</b> ELECTIONS, VOTING, CAMPAIGN FINANCE STATE GOV'T FINANCES: WEBSITE BALLOT CUSTODY/TAMPERING; VOTER REG; MAIL	<b>Butrovich 205</b>	<b>3:30 PM</b>
<b>Feb 04</b> + SB 53 + SJR 6 + SJR 5 + SJR 7	<b>Thursday</b> PERM FUND; ADVISORY VOTE CONST. AM: PERM FUND & PFDS CONST. AM: APPROP LIMIT; BUDGET RESERVE CONST. AM: STATE TAX; VOTER APPROVAL	<b>Butrovich 205</b>	<b>3:30 PM</b>

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**TRANSPORTATION**

<b>Feb 02</b>	<b>Tuesday</b> No Meeting Scheduled	<b>Beltz 105 (tsbldg)</b>	<b>1:30 PM</b>
<b>Feb 04</b>	<b>Thursday</b> No Meeting Scheduled	<b>Beltz 105 (tsbldg)</b>	<b>1:30 PM</b>