

# SENATE JOURNAL

## ALASKA STATE LEGISLATURE

### TWENTY-SECOND LEGISLATURE -- SECOND SESSION

Juneau, Alaska

Monday

January 28, 2002

#### Fifteenth Day

Pursuant to adjournment the Senate was called to order by President Halford at 11:10 a.m.

The roll showed sixteen members present. Senators Lincoln, Olson were excused from a call of the Senate. Senators Kelly, Therriault were absent.

The prayer was offered by the Chaplain, Major Larry Fankhauser of The Salvation Army. Senator Hoffman moved and asked unanimous consent that the prayer be spread. Without objection, it was so ordered.

Dear God, we give thanks for the start of a new week. As one nation under God, we pray for those senators gathered in this chamber. They have been given a great responsibility. We pray for each one that a special blessing might be theirs, for clear minds, wisdom and strength to face the challenges of this day. For all the opportunities that are ours to serve this State and community, we thank You. Amen.

Senator Taylor led the Senate in the Pledge of Allegiance.

#### Certification

Senator Leman moved and asked unanimous consent that the journals for the twelfth through fourteenth legislative days and Senate and House Joint Journal Supplement No. 10 be approved as certified by the Secretary. Without objection, it was so ordered.

The presence of Senator Kelly was noted.

**Communications**

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

Terminal Redevelopment Project, International Airport Revenue Bond, Construction Fund Report  
from Joseph L. Perkins, Commissioner, Department of Transportation and Public Facilities  
in accordance with AS 37.15.420

Notification of Availability of annual financial reports for the Alaska Industrial Development and Export Authority and the Alaska Energy Authority for FY01 on the Internet at [www.aidea.org](http://www.aidea.org)  
from Robert Poe, Jr., Executive Director  
in accordance with AS 44.88.210 and AS 44.83.950(b)

Report of the Alaska Minerals Commission, 2002  
from Irene Anderson, Chair  
in accordance with Ch. 98, SLA 1986, as amended by Ch. 4, SLA 1993

Alaska Aerospace Development Corporation, 2001 Annual Report  
from Pat Ladner, President/CEO  
in accordance with AS 14.40.866

Alaska Municipal Bond Bank Authority, 2001 Annual Report  
from R. Desmond Mayo, Chairperson

Department of Transportation and Public Facilities Report to Alaskans  
from Joseph L. Perkins, Commissioner

Department of Community and Economic Development, Division of Insurance, 63rd Annual Report  
from Robert A. Lohr, Director  
in accordance with AS 21.06.087

**Standing Committee Reports****HCR 4**

The Rules Committee considered CS FOR HOUSE CONCURRENT RESOLUTION NO. 4(STA) am, Declaring February 2002 to be African-American Citizen Recognition Month. Signing to calendar: Senator Phillips, Chair, Senators Halford, Ellis.

The resolution is on today's calendar.

**Introduction and Reference of Senate Bills****SB 258**

SENATE BILL NO. 258 BY SENATOR LEMAN, entitled:

"An Act relating to the use of electronic ballots."

was read the first time and referred to the State Affairs Committee.

**SB 259**

SENATE BILL NO. 259 BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR, entitled:

"An Act providing for and relating to the issuance of general obligation bonds for the purpose of paying the cost of construction and major maintenance for certain public school facilities; and providing for an effective date."

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

The following fiscal information was published today:

Fiscal Note No. 1, Department of Revenue

Governor's transmittal letter dated January 25:

Dear President Halford:

Adequate school facilities are an important factor in the success of an educational program. To afford all Alaska students the opportunity to learn in an environment that enhances their chances for success, I am transmitting a bill to finance construction and major maintenance of public schools.

This legislation authorizes a public vote on general obligation bonds to tackle one third of the \$641 million backlog of needed school construction and major maintenance projects across our state. I propose this as the first of three installments to complete the entire existing statewide Department of Education and Early Development priority lists within six years.

This legislation specifically authorizes a vote in the 2002 general election on \$212 million in general obligation (GO) bonds for schools. An accompanying bill appropriates \$210 million for the first eight school construction and 81 major maintenance projects on the statewide priority list. This would make available approximately \$101 million for fiscal year 2003 and approximately \$109 million starting in 2004. The remaining \$2 million would pay the costs of bond sale and issuance. The debt service for these bonds will be paid from general funds starting in fiscal year 2004.

In recent years, school construction funding has come from a combination of new or unique funding sources for bonds (such as Alaska Housing Finance Corporation dividends and the tobacco settlement), and school debt reimbursement for urban districts funded by tobacco taxes. These revenue sources are not available this year.

The grant approach in this legislation is an improvement over the process used in previous years. Communities will only provide the local share of the project cost -- approximately 30%. Former school debt reimbursement programs required districts to bond for the full project amount, using more of their local debt capacity than is actually needed for the local share. Local bonding is also more expensive than using GO bonds because the state has a stronger credit rating than municipalities and can issue debt at lower cost.

More effective use of state dollars is made possible in this two-year package by phasing school construction projects so that design is funded in the first year and construction thereafter. To assure bondholders and school districts that the specific projects proposed for the bonds are fully funded, the major maintenance and school construction lists submitted under AS 14.11.011 will be frozen until July 1, 2003.

This first phase of the six-year funding plan will emphasize rural and urban school districts' critical major maintenance needs by completing project priorities 1-60 in the first year and 61-81 in the second year. It is my hope that another bond package, similar to this one, will be addressed during each of the next two general election years to meet the rest of the state's school construction and major maintenance needs in the near future.

We have a responsibility to provide Alaska's children with both the academic programs and the educational facilities they need to be successful. We are making significant progress improving the quality of education and I urge your prompt and favorable action on this measure to make similar progress on our statewide elementary and secondary school facilities.

Sincerely,

/s/

Tony Knowles

Governor

A spreadsheet of major maintenance and school construction projects was attached.

### **Consideration of the Calendar**

#### **Second Reading of House Resolutions**

##### **HCR 4**

CS FOR HOUSE CONCURRENT RESOLUTION NO. 4(STA) am, Declaring February 2002 to be African-American Citizen Recognition Month, was read the second time and was before the Senate on final passage.

Senators Wilken, Ward, Cowdery moved and asked unanimous consent to be shown as cross sponsors on the resolution. Without objection, it was so ordered.

The question being: "Shall CS FOR HOUSE CONCURRENT RESOLUTION NO. 4(STA) am, Declaring February 2002 to be African-American Citizen Recognition Month, pass the Senate?" The roll was taken with the following result:

CSHCR 4(STA) am  
Second Reading - Final Passage

**YEAS: 17 NAYS: 0 EXCUSED: 2 ABSENT: 1**

Yeas: Austerman, Cowdery, Davis, Donley, Ellis, Elton, Green, Halford, Hoffman, Kelly, Leman, Phillips, Stevens, Taylor, Torgerson, Ward, Wilken

Excused: Lincoln, Olson

Absent: Therriault

and so, CS FOR HOUSE CONCURRENT RESOLUTION NO. 4(STA) am passed the Senate, was signed by the President and Secretary and returned to the House.

#### **Citations**

Commemorating – Black History Month

Senator(s) Davis, Phillips, Ward, Stevens, Hoffman, Wilken, Ellis, Donley, Taylor, Austerman, Lincoln, Elton, Halford, Leman

In Memoriam – Omega "Micky" Bennett

Senator(s) Davis, Stevens, Hoffman, Wilken, Donley, Green, Kelly, Taylor, Austerman, Lincoln, Elton, Halford, Leman

In Memoriam – Charles Hord

Senator(s) Davis, Stevens, Hoffman, Wilken, Donley, Green, Kelly, Taylor, Austerman, Lincoln, Elton, Halford, Leman

Senator Leman moved and asked unanimous consent that the citations be adopted. Without objection, the citations were adopted and referred to the Secretary for transmittal.

**Unfinished Business**

Senator Torgerson moved and asked unanimous consent to be excused from a call of the Senate on February 4, 5, 6, 19 and 20. Without objection, Senator Torgerson was excused.

Senator Kelly moved and asked unanimous consent to be excused from a call of the Senate from February 1 through morning plane time, February 4. Without objection, Senator Kelly was excused.

Senator Donley moved and asked unanimous consent to be excused from a call of the Senate on February 1. Without objection, Senator Donley was excused.

Senator Cowdery moved and asked unanimous consent to be excused from a call of the Senate on February 1 and March 7. Without objection, Senator Cowdery was excused.

**HB 196**

Senator Wilken moved and asked unanimous consent to be shown as a cross sponsor on CS FOR HOUSE BILL NO. 196(JUD) "An Act establishing a right of action for a legal separation; requiring a report about legal separations; and amending Rule 42(a), Alaska Rules of Civil Procedure." Without objection, it was so ordered.

President Halford made the following appointment to the Legislative Council:

Senator Stevens replaces Senator Pearce.

**Announcements**

Announcements are at the end of the journal.

**Adjournment**

Senator Lemman moved and asked unanimous consent that the Senate stand in adjournment until 11:00 a.m., January 30, 2002. Without objection, the Senate adjourned at 11:29 a.m.

Heidi Vogel  
Secretary of the Senate

January 2002



**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>Jan 28</b>	<b>Monday</b>	<b>Fahrenkamp 203</b>	<b>1:30 PM</b>
	No Meeting Scheduled		
<b>Jan 30</b>	<b>Wednesday</b>	<b>Fahrenkamp 203</b>	<b>1:30 PM</b>
	No Meeting Scheduled		
<b>Feb 01</b>	<b>Friday</b>	<b>Fahrenkamp 203</b>	<b>1:30 PM</b>
	No Meeting Scheduled		

**FINANCE**

<b>Jan 31</b>	<b>Thursday</b>	<b>Senate Finance 532</b>	<b>9:30 AM</b>
= SB 181	SMALL COMMUNITY HOUSING LOANS		
= SB 153	UNDERGROUND STORAGE TANK LOAN FUND		
= SB 115	EXTEND BD. OF STORAGE TANK ASSISTANCE		
	Bills Previously Heard/Scheduled		

**HEALTH, EDUCATION & SOCIAL SERVICES**

<b>Jan 28</b>	<b>Monday</b>	<b>Butrovich 205</b>	<b>1:30 PM</b>
+ HB 162	ABSENCES UNDER LONGEVITY BONUS PROGRAM		
<b>Jan 30</b>	<b>Wednesday</b>	<b>Butrovich 205</b>	<b>1:30 PM</b>
+ SB 250	SCHOOL PERFORMANCE REPORTS		

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**JUDICIARY**

**Jan 28 Monday Beltz 211 1:30 PM**  
 SB 248 EXTENDING COUNCIL ON DOMESTIC VIOLENCE  
 <Bill Postponed to 2/22/02>

**Jan 30 Wednesday Beltz 211 1:30 PM**  
 No Meeting Scheduled

**Feb 01 Friday Beltz 211 1:30 PM**  
 + SB 242 CONCEALED HANDGUN PERMITTEES

**LABOR & COMMERCE**

**Jan 29 Tuesday Beltz 211 1:30 PM**  
 + HB 157 TRUST COMPANIES & FIDUCIARIES  
 + SB 175 MUNICIPAL PROTESTS OF GAMING PERMITS

**Jan 31 Thursday Beltz 211 1:30 PM**  
 + SB 243 CHIROPRACTORS: SUNSET/LICENSING  
 + SB 244 OPTOMETRISTS: SUNSET AND MISCELLANEOUS

**RESOURCES**

**Jan 28 Monday Butrovich 205 3:30 PM**  
 No Meeting Scheduled

**Jan 30 Wednesday Butrovich 205 3:30 PM**  
 No Meeting Scheduled

**Feb 01 Friday Butrovich 205 3:30 PM**  
 No Meeting Scheduled

**RULES**

**Jan 29 Tuesday Fahrenkamp 203 10:00 AM**  
 HB 334 APPROP: GRANT TO ARCTIC POWER FOR ANWR  
 HCR 22 RECESS FOR MORE THAN 3 DAYS IN MARCH

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STATE AFFAIRS

**Jan 29 Tuesday Beltz 211 3:30 PM**  
No Meeting Scheduled

**Jan 31 Thursday Beltz 211 3:30 PM**  
SB 236 HOMELAND SECURITY APPROPRIATIONS  
= SB 235 EMERGENCY MANAGEMENT ASSISTANCE COMPACT  
= SB 237 TERRORISM, CIVIL DEFENSE, AND DISASTERS  
= SB 238 SECURITY OF FACILITIES AND SYSTEMS  
= SB 239 STATE EMPLOYEES CALLED TO MILITARY DUTY  
= SB 240 TERRORISTIC THREATENING/PIPELINE DAMAGE

TRANSPORTATION

**Jan 29 Tuesday Butrovich 205 1:30 PM**  
No Meeting Scheduled

**Jan 31 Thursday Butrovich 205 1:30 PM**  
HB 241 RAIL AND UTILITY CORRIDOR TO CANADA  
SB 209 LEGISLATIVE APPROVAL OF RAILROAD LEASES

FINANCE SUBCOMMITTEES

EDUCATION & EARLY DEVELOPMENT

**Jan 31 Thursday Terry Miller 104 8:00 AM**  
Dept Overview: FY03 Budget Request  
Committee Schedule and Future Topics

JOINT COMMITTEES

ADMINISTRATIVE REGULATION REVIEW

**Jan 30 Wednesday Capitol 102 8:30 AM**  
+ Overview of Committee Activities  
+ DCED Interpretation of Uniform Mechanical Code

**ARMED SERVICES COMMITTEE**

**Feb 05**      **Tuesday**                      **Senate Finance 532**              **1:30 PM**  
 -- Location Change --  
 Lt. General Norton Schwartz,  
 Maj. Gen. Willie B. Nance: Briefing

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**LEGISLATIVE COUNCIL**

**Jan 28**      **Monday**                      **Senate Finance 532**              **12:00 PM**  
 Revisor's Bill  
 Don Mitchell Contract Amendment  
 Expanding Gas Pipeline Study Contract  
 Hiring FERC Attorney  
 Late Travel Reimbursement Requests  
 4th Avenue Lease Discussion  
 Capitol Security Measures

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**OTHER MEETINGS****CHILDREN'S CAUCUS**

**Feb 12**      **Tuesday**                      **Fahrenkamp 203**              **12:00 PM**  
 +  
 Alaska Women's Resource Center:  
 Stepping Stones Program

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**FISH CAUCUS**

**Jan 31**      **Thursday**                      **Butrovich 205**              **12:00 PM**  
 2002 Fisheries Bills

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**JOINT SESSION**

**Feb 19**      **Tuesday**                      **House Chamber**              **11:00 AM**  
 US Senator Frank Murkowski

**Feb 20**      **Wednesday**                      **House Chamber**              **11:00 AM**  
 Chief Justice Dana Fabe

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MINORITY CAUCUS

<b>Jan 29</b>	<b>Tuesday</b>	<b>Governor's Conf Rm</b>	<b>4:00 PM</b>
	Joint w/(H)		
	Open Caucus		
	Trends in the Alaska Economy:		
	Neal Fried, Labor & Workforce Development		