

# HOUSE JOURNAL

## ALASKA STATE LEGISLATURE

### TWENTY-FOURTH LEGISLATURE - FIRST SESSION

Juneau, Alaska

Tuesday

January 18, 2005

#### Ninth Day

Pursuant to adjournment the House was called to order by Speaker Harris at 11:05 a.m.

Roll call showed 34 members present. Representative Crawford had been previously excused from a call of the House today. Representative Weyhrauch was absent. (Representative-elect Kerttula was later administered the Oath of Office).

Representative Coghill moved and asked unanimous consent that Representatives Anderson, Cissna, and McGuire be excused from a call of the House today. There being no objection, it was so ordered.

Representative Coghill moved and asked unanimous consent that Representative-elect Moses be excused from a call of the House from today to 9:30 a.m., plane time, January 24, 2005. There being no objection, it was so ordered.

The invocation was offered by the Chaplain, Pastor Daymond Geary of the Church for all Nations. Representative Croft moved and asked unanimous consent that the invocation be spread on the journal. There being no objection, it was so ordered.

As we join in prayer today we remember the faith of Reverend Doctor Martin Luther King Junior. We are reminded that one man's vision and passion can change a nation.

Our Father in Heaven, we thank You for all Your blessings on us. Thank You for health and strength to serve with in this

day. Thank You for all the help and hope for this new year. Thank You for special blessing on this session and on each member that is present. Thank You for always being mindful of the families that keep the home fires burning and that stand with us in the good and the bad times.

With all that we are thankful for, still we need to be touched with Your passion and vision for our state and nation. In the book of Ezekiel chapter 22, verse 30 it says, "I looked for someone who might rebuild the wall of righteousness that guards the land. I searched for someone to stand in the gap in the wall." Our prayer is to be the one that will be distinguished as a builder and bridge maker for this time. Show us how to be uncompromising with Your righteousness and yet understanding of human weakness in our fellowman. Bless this great state and make it a seedbed of great leaders for the next generation.

All this we ask in the precious name of Jesus, Amen.

The Pledge of Allegiance was led by Representative Guttenberg.

#### **CERTIFICATION OF THE JOURNAL**

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

#### **OATH OF OFFICE**

Speaker Harris appointed Representatives Dahlstrom and Gruenberg to escort Beth Kerttula to the rostrum.

Speaker Harris administered the oath of office to Beth Kerttula, District 3.

**MESSAGES FROM THE GOVERNOR**

A letter dated January 14, 2005, was read stating that, in accordance with AS 14.40.150, the Governor submits the following names for legislative confirmation of appointment to the board set out below:

The Speaker referred the following to the House Special Committee on Education and the Health, Education & Social Services Committee:

**University of Alaska Board of Regents**

Mr. Carl H. Marrs - Anchorage

Appointed: 1/13/2005 Term Expires: 2/1/2013

Mr. Robert Martin - Juneau

Appointed: 1/13/2005 Term Expires: 2/1/2013

Mr. Jeff Staser - Anchorage

Appointed: 1/13/2005 Term Expires: 2/1/2007

A Declaration of Disaster Emergency dated January 15, 2005, with an accompanying letter was received and is on file in the Chief Clerk's office. The Declaration and letter had been copied to the Finance Committee.

**COMMUNICATIONS**

The following were received:

Dept. of Administration  
Office of the Commissioner  
Monetary Terms of Agreement Between the  
State and the Alaska State Employees Association  
(General Government Unit)  
January 14, 2005  
(as required by AS 23.40.215)

The Speaker referred the monetary terms of agreement to the Finance Committee.

Dept. of Environmental Conservation  
Division of Spill Prevention and Response  
Oil and Hazardous Substance Release  
Prevention and Response Fund  
Biennial Report, Fiscal Year 2003-2004  
January 2005  
(as required by AS 46.08.060)

Dept. of Natural Resources  
Division of Oil & Gas  
Five-Year Oil and Gas Leasing Program  
January 2005  
(as required by AS 38.05.180)

The Speaker stated that, without objection, the House would recess for a meeting of the Committee on Committees; and so, the House recessed at 11:14 a.m.

#### **AFTER RECESS**

The Speaker called the House back to order at 11:34 a.m.

#### **REPORTS OF SPECIAL COMMITTEES**

The following report of the Committee on Committees, dated January 18, 2005, was received submitting an amendment to the January 12, 2005, report (page 48):

Legislative Council: Kott, Chair; Coghill, Gatto, Rokeberg, Stoltze, Weyhrauch, Berkowitz

The report was signed by Representative Harris, Chair; and Representatives Coghill, Rokeberg, Chenault, Meyer, Berkowitz, and Kerttula.

Representative Coghill moved and asked unanimous consent that the House adopt the Committee on Committees Report as amended. 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 - Monique Barteaux, Mothers Against Drunk Driving Youth Activist of the Year

By Representatives Weyhrauch, Kerttula; Senator Elton

In Memoriam - Madeleine Calkins Mirow Spears

By Representative Foster

**INTRODUCTION, FIRST READING, AND REFERENCE  
OF HOUSE BILLS****HB 65**

HOUSE BILL NO. 65 by the House Rules Committee by request of the Governor, entitled:

"An Act making special appropriations for the support of K-12 public education in the state; and providing for an effective date."

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

The Governor's transmittal letter dated January 12, 2005, follows:

"Dear Speaker Harris:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill making special appropriations for the support of K-12 public education in the state.

I am asking the Legislature to not only make permanent the \$84 million increase to K-12 education approved for fiscal year 2005, but to increase education by another \$127 million over the next two fiscal years. I am asking that the Legislature give the education budget priority by passing appropriations for fiscal years 2006 and 2007 during the first regular session of this Legislature.

I want to avoid the unnecessary cycle of districts sending pink slips to teachers each school year as a means of anticipating possible budget cuts. It is my sincere hope that this early funding package will let schools focus on teaching over the next two fiscal years instead of worrying about how to make ends meet.

This bill would cover fixed retirement costs, higher-than-expected costs of fuel oil, and other inflationary costs as well as providing the money necessary to pay the core costs of classroom education. These appropriations would be conditioned on the enactment of an increase of \$304 in the base student allocation for fiscal year 2006 and another increase of \$310 for fiscal year 2007 and subsequent years. Meeting these costs and enacting the increases to the base student allocation would address the needs of school districts in the state by allowing them to stabilize their administrative planning and concentrate their efforts and resources on increasing student achievement and efficiently running the state's K-12 educational system.

I urge your favorable consideration of this bill.

Sincerely yours,  
/s/  
Frank H. Murkowski  
Governor"

**HB 66**

HOUSE BILL NO. 66 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 12, 2005, follows:

"Dear Speaker Harris:

I am today transmitting a separate FY 2006 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 my budget and the recommendations of the Alaska Mental Health Trust Authority.

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. Regrettably, we were unable to augment some of the Trust's requests with state general funds.

I look forward to working with the Legislature this session.

Sincerely yours,

/s/

Frank H. Murkowski  
Governor"

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

**HB 67**

HOUSE BILL NO. 67 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, from the constitutional budget reserve fund; and providing for an effective date."

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

The Governor's transmittal letter dated January 12, 2005, follows:

"Dear Speaker Harris:

The operating budget bill delivered today contains my proposal for the 2006 fiscal year.

My budget proposals reflect our obligation to meet a state's traditional responsibilities to its citizens. It reflects our commitment to growing the state's economy through resource development, which provides Alaska families with opportunities for good jobs and careers. Jobs also provide an economic base for our communities so they too can meet their local responsibilities to citizens.

The challenges our administration faced in developing our spending proposals for this session were very different from those of the last two years. During our first two years, our administration faced up to the fiscal realities and we got control of state spending.

Even though record-breaking oil prices have changed today's budgeting pressures, it is just as important that we be prudent and disciplined in our spending decisions. The potential for a \$1 billion swing in current fiscal year revenues must serve as a reminder of the volatility of the underpinnings of our revenue system and the precariousness of the state's ability to afford consistent delivery of services to Alaskans.

This operating budget, as well as our other proposals, reflects our administration's priorities to: grow Alaska's economy and create jobs for Alaskans by responsibly developing our abundant natural resources, which also requires a quality education that prepares Alaskans to take these jobs; assure that Alaskans are safe in their communities; and assure that Alaska families are healthy with a good quality of life.

The spending proposals, as well as our other actions taken and legislation that will be proposed, will make significant contributions to further advancing our success in meeting these priorities.

While our administration is focused on developing Alaska's economy, we are just as mindful of our responsibilities to protect those Alaskans



that are most vulnerable. We are again proposing additional resources and staff to the Office of Children's Services so that we can continue our commitment to protect Alaska's most at-risk children.

We are proposing to increase state financial support for our K-12 educational system. If approved by the Legislature, the per student amount will have increased 29 percent during this administration, which reflects our commitment to ensure that those in school today will be fully prepared to enter tomorrow's job market. We also will propose that we use some of the current year's windfall to help pay for this increase for the next two years.

As we look to the state's fiscal future, we are very mindful of our challenge to ensure that state government and the services it delivers to Alaskans is fiscally sound between now and when the gasline is in service in 2012. Natural resource development represents this administration's long-term fiscal solution. The fiscal challenge we face between now and then is real, and we cannot procrastinate our way to fiscal security. I urge the Legislature to either pass the fiscal plan I presented last year or come up with one of its own. The time to act is now while we enjoy good economic times.

Our administration's Fiscal Year 2006 operating budget and other proposals will help create the kind of Alaska in which Alaskans can fulfill their tremendous potential and achieve their dreams. By our working together on what I believe to be a shared vision for the future, it will mean every Alaskan can have hope for what the future will bring, instead of simply hoping for a future.

To these ends, I look forward to working with the Legislature.

Sincerely yours,

/s/

Frank H. Murkowski  
Governor"

**HB 68**

HOUSE BILL NO. 68 by the House Rules Committee by request of the Governor, entitled:

"An Act making capital 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 12, 2005, follows:

"Dear Speaker Harris:

The capital budget bill delivered today contains my proposal for the 2006 fiscal year.

As you know, a capital budget is how a government meets one of its most basic infrastructure responsibilities to citizens, that of ensuring safe roads, schools, and state facilities.

Overall, the capital budget totals a little over \$1 billion of which \$825 million will be supported by federal funds. Of this, \$518 million in federal transportation funds are proposed for road, highway, ferry, and airport projects throughout Alaska. Another \$134 million of primarily state funds is proposed to tackle the state's backlog of deferred maintenance, which ranges from repairs to Pioneers' Homes and correctional facilities to fixing state roads, airports, and harbors. It also includes \$30 million to fund priority major maintenance in schools around the state.

The capital budget also includes \$145 million in state funds for two major transportation initiatives. The first is \$37 million for transportation projects that will provide access to some of our natural resources so economic development can take place and create good jobs, especially in rural Alaska. Another \$108 million is proposed for projects that will help relieve congestion in Alaska's more populated communities.

In addition to maximizing federal funds, the administration is looking at ways to leverage limited state funds. Using the bond capacity of state corporations is one way to stretch state dollars in the short-term and still enable us to meet the state's responsibilities. At the same time we are able to prudently save the state's reserves while we aggressively work on new revenue from resource development.

The proposal also includes \$340 million of primarily transportation, university, and deferred maintenance projects that will be funded through bonds issued by the Heritage Securitization Corporation, that I will propose to create in separate legislation. Debt will be issued over several years as money is needed to pay for projects. Debt service will be paid from the Heritage Capital Fund, which consists of earnings of the Amerada Hess settlement principal.

The capital budget includes proceeds from the sale of bonds by the Alaska Student Loan Corporation (ASLC). This is the second of a three-year plan by which ASLC is repaying the state for its initial investment of \$300 million in student loan programs. The proposal reflects the corporation's desire to assist the state in bridging its short-term fiscal gap. This proposal will have *no impact on student loan programs*. ASLC plans to repay the state up to \$260 million by the end of FY 2007.

I look forward to working closely with this Legislature to jointly craft a capital budget that provides Alaska residents essential state services and creates good jobs for hard working Alaskans.

Sincerely yours,

/s/

Frank H. Murkowski  
Governor"

The previous Governor's bills are out of numerical sequence because the numbers were preassigned.

**HB 73**

HOUSE BILL NO. 73 by the House Rules Committee by request of the Governor, entitled:

"An Act increasing the base student allocation for state financing of public schools; and providing for an effective date."

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

The following fiscal note(s) apply:

1. Fiscal, Dept. of Education & Early Development
2. Fiscal, Dept. of Education & Early Development

The Governor's transmittal letter dated January 12, 2005, follows:

"Dear Speaker Harris:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that would raise the base student allocation for students attending public school grade levels kindergarten through 12 (K-12) over the next two years. This bill is an important component of my effort to forward-finance K-12 public education at a level that meets the increased costs our school districts have seen in recent years.

Under the bill, the base student allocation would increase to \$4,880 for fiscal year 2006, and to \$5,190 for fiscal year 2007 and subsequent years. Currently, the base student allocation is set at \$4,576. My proposal will result in a \$62 million increase for school districts in FY 06 and a \$64 million increase in FY 07.

In FY 06, school districts will face an estimated \$39 million increase in Public Employees' Retirement System and Teachers' Retirement System with an additional \$40 million increase in FY 07. Combined with inflation, the escalating price of keeping our promise to retired teachers and school employees has unintentionally placed our public school system in a budget crisis. School districts are forced to eliminate essential programs and staff making it increasingly more difficult to provide the highest quality of education possible for our children. The funding blueprint I am presenting in this bill will cover those burdensome cost increases over the next two years, allowing our school administrators to proactively manage their budgets so teachers can focus on improving student achievement.

I urge your prompt and favorable action on this measure, so very important to the future of Alaska's public schools and our children.

Sincerely yours,

/s/

Frank H. Murkowski  
Governor"

**HB 74**

HOUSE BILL NO. 74 by Representative Holm, entitled:

"An Act relating to enhanced 911 surcharges."

was read the first time and referred to the Community & Regional Affairs and Labor & Commerce Committees.

**HB 75**

HOUSE BILL NO. 75 by Representative Kelly, entitled:

"An Act relating to promoting and preserving sport hunting in the state."

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

**HB 76**

HOUSE BILL NO. 76 by Representatives Samuels and Joule, entitled:

"An Act relating to the Big Game Commercial Services Board and to the regulation of big game hunting services and transportation services; and providing for an effective date."

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

**HB 77**

HOUSE BILL NO. 77 by Representative Kelly, entitled:

"An Act relating to claims against state employees."

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

**HB 78**

HOUSE BILL NO. 78 by Representatives Samuels, McGuire, and Hawker, entitled:

"An Act relating to criminal law and procedure, criminal sentences, and probation and parole; and providing for an effective date."

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

**HB 79**

HOUSE BILL NO. 79 by the House Rules Committee by request of the Governor, entitled:

"An Act making a supplemental appropriation for increased operating costs of the division of elections; and providing for an effective date."

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

The Governor's transmittal letter dated January 14, 2005, follows:

"Dear Speaker Harris:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a separate "fast-track" supplemental appropriation bill for fiscal year 2005 for the Division of Elections in the Office of the Lieutenant Governor.

The bill would appropriate a total of \$694,900 from the general fund. The appropriation would cover the costs of circumstances that were not within management's control, such as court-ordered costs, unexpected municipal ballot costs, and unexpected citizen-action generated costs. The Division of Elections faced unusual operating costs due to a number of circumstances, including ballot printing and distribution of the Municipality of Anchorage bond questions, an application for recall of a member of the state Legislature, complying with a court order to reprint the general election ballots, and an unusually high number of requests from voters for absentee and facsimile ballots. Due to these additional costs, it now appears that a total of \$694,900 more in general fund money will be needed to meet the state's obligations to administer elections during fiscal year 2005.

The Division of Elections is anticipated to run out of money in late February. Therefore, I request that you put this bill on a "fast track" for final action in February.

Sincerely yours,

/s/

Frank H. Murkowski  
Governor"

## CONSIDERATION OF THE DAILY CALENDAR

### LEGISLATIVE CITATIONS

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

In Memoriam - Su Lachelt

By Representatives Weyhrauch, Kerttula, Harris, Anderson, Berkowitz, Chenault, Cissna, Croft, Dahlstrom, Elkins, Foster, Gara, Gatto, Gruenberg, Guttenberg, Hawker, Holm, Joule, Kapsner, Kohring, McGuire, Meyer, Neuman, Olson, Ramras, Rokeberg, Samuels, Seaton, Wilson; Senator Elton

### UNFINISHED BUSINESS

Representative Coghill moved that the House confirm the appointment of Representatives Weyhrauch and Gruenberg, and Representatives Harris and Gara (Alternates) to the Select Committee on Legislative Ethics.

The question being: "Shall the House confirm the appointment of Representatives Weyhrauch and Gruenberg, and Representatives Harris and Gara (Alternates) to the Select Committee on Legislative Ethics?" The roll was taken with the following result:

Select Committee on Legislative Ethics

Confirm - Representatives Weyhrauch, Gruenberg

Representatives Harris, Gara (Alternates)

**YEAS: 34 NAYS: 0 EXCUSED: 5 ABSENT: 1**

Yeas: Berkowitz, Chenault, Coghil, Croft, Dahlstrom, Elkins, Foster, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Harris, Hawker, Holm, Joule, Kapsner, Kelly, Kerttula, Kohring, Kott, LeDoux, Lynn, Meyer, Neuman, Olson, Ramras, Rokeberg, Salmon, Samuels, Seaton, Stoltze, Thomas, Wilson

Excused: Anderson, Cissna, Crawford, McGuire, Moses

Absent: Weyhrauch

And so, the appointments were confirmed.

The Chief Clerk will notify the Senate.

#### **HJR 4**

Representative Dahlstrom added her name as cosponsor to:

HOUSE JOINT RESOLUTION NO. 4

Urging the United States Congress to pass legislation to open the coastal plain of the Arctic National Wildlife Refuge, Alaska, to oil and gas exploration, development, and production.

#### **HB 50**

Representative Holm added his name as cosponsor to:

HOUSE BILL NO. 50

"An Act relating to municipal initiative and referendum elections."

#### **HB 55**

Representative Hawker removed his name as cosponsor from:

HOUSE BILL NO. 55

"An Act relating to the rights of victims of crime; and amending Rules 12 and 42, Alaska Rules of Criminal Procedure, Rules 204, 205, 210, 212, 213, 217, 508, and 513.5, Alaska Rules of Appellate Procedure, and Rule 9, Alaska Rules of Administration."

### **ANNOUNCEMENTS**

House committee schedules are published daily under separate cover.



The following meeting today has been changed as indicated:

House Special Committee on Oil & Gas  
CONTINUED:

upon adj., 1/18

**ADJOURNMENT**

Representative Coghill moved and asked unanimous consent that the House adjourn until 10:00 a.m., January 19, 2005. There being no objection, the House adjourned at 11:43 a.m.

Suzi Lowell  
Chief Clerk