

SENATE JOURNAL
ALASKA STATE LEGISLATURE
TWENTY-FIFTH LEGISLATURE
FIRST SESSION

Juneau, Alaska

Friday

January 19, 2007

Fourth Day

Pursuant to adjournment the Senate was called to order by President Green at 10:03 a.m.

The roll showed seventeen members present. Senators Huggins, Kookesh, Stevens were excused from a call of the Senate.

The prayer was offered by the Chaplain, David Dierdorff of the Juneau Unitarian Universalist Fellowship. Senator Hoffman moved and asked unanimous consent that the prayer be spread. Without objection, it was so ordered.

The following reading, taken with minor changes, is from the writings of poet Marge Piercy.

We must sit down and reason together.
Perhaps we should sit in the dark.
In the dark we could utter our feelings.
In the dark we could propose and describe and suggest.
In the dark we could not see who speaks and only the words would say what they say.

No one would speak more than twice.
No one would speak less than once.
Thus saying what we feel and what we want, what we fear for ourselves and each other into the dark.

Perhaps we could begin to begin to listen.
Those who haven't spoken must learn to dare to
speak.
Those who have spoken must learn to bother to
listen.
Those who have been quiet must learn to say I think
this is so.
Those who have spoken must learn to stop dancing
solos on the ceiling.
After each speaks, he or she will say a ritual phrase:
It is not I who speaks but the wind.
Wind blows through me.
Long after me is the wind.

So be it.

Amen.

Senator McGuire led the Senate in the Pledge of Allegiance.

Certification

Senator Stedman, Acting Majority Leader, moved and asked unanimous consent that the journals for the second and third legislative days and House and Senate Joint Journal Supplement No. 1 be approved as certified by the Secretary. Without objection, it was so ordered.

Introduction of Guests

Senator McGuire introduced the following members of the Pacific Northwest Economic Region (PNWER) Delegation: The Honorable Jim Kenyon, Minister of Economic Development, Yukon, PNWER President; The Honorable John van Dongen, Minister of State Intergovernmental Relations, British Columbia, PNWER Vice President; Marvin Schneider, Executive Director, United States Relations, International and Intergovernmental Relations, Government of Alberta; Matt Morrison, PNWER Executive Director; Brandon Hardenbrook, PNWER Deputy Director.

Communications

The following report is on file in the Office of the Secretary of the Senate:

Alaska Marine Highway System Fund Investment Earnings Report
from Patrick S. Galvin, Commissioner, Department of Revenue
in accordance with AS 19.65.070(c)

The following Budget and Audit Reports were received from Pat Davidson, Legislative Auditor, in accordance with AS 24.20.311 and are on file in the Office of the Secretary of the Senate:

Condensed 2006 Annual Report from the Legislative Budget & Audit Committee, dated January 16, 2007

Unabridged 2006 Annual Report from the Legislative Budget & Audit Committee, dated January 16, 2007

Introduction and Reference of Senate Bills**SB 50**

SENATE BILL NO. 50 BY THE SENATE 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.

Governor's transmittal letter dated January 17:

Dear President Green:

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 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

SB 51

SENATE BILL NO. 51 BY THE SENATE 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.

In accordance with AS 37.14.003(b) a report of the differences between the Governor's proposed budget and the recommendations of the Alaska Mental Health Trust Authority was transmitted.

Governor's transmittal letter dated January 17:

Dear President Green:

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

SB 52

SENATE BILL NO. 52 BY THE SENATE 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 Finance Committee.

Governor's transmittal letter dated January 17:

Dear President Green:

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

SB 53

SENATE BILL NO. 53 BY THE SENATE 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.

Governor's transmittal letter dated January 17:

Dear President Green:

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

SB 54

SENATE BILL NO. 54 BY THE SENATE 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 information was published today:

Fiscal Note No. 1, zero, Department of Revenue

Governor's transmittal letter dated January 17:

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

SENATE BILL NO. 55 was introduced January 16.

SENATE BILL NO. 56 was introduced January 17.

SB 57

SENATE BILL NO. 57 BY SENATOR ELTON, entitled:

"An Act relating to hunting in marine park units of the Alaska state park system, amending the area within designated marine park units of the Alaska state park system, and adding marine park units to the Alaska state park system."

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

SB 58

SENATE BILL NO. 58 BY SENATOR ELTON, entitled:

"An Act relating to excusing breast-feeding women from jury service; amending Rule 15(l), Alaska Rules of Administration; and providing for an effective date."

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

SB 59

SENATE BILL NO. 59 BY SENATOR STEVENS, entitled:

"An Act relating to the use of broadcasting to promote charitable raffles and lotteries."

was read the first time and referred to the Labor and Commerce Committee.

SB 60

SENATE BILL NO. 60 BY THE SENATE 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 Labor and Commerce, Transportation and Finance Committees.

The following fiscal information was published today:

Fiscal Note No. 1, Department of Revenue

Governor's transmittal letter dated January 17:

Dear President Green:

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

SB 61

SENATE BILL NO. 61 BY THE SENATE 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.

Governor's transmittal letter dated January 17:

Dear President Green:

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

SB 62

SENATE BILL NO. 62 BY SENATOR STEVENS, entitled:

"An Act establishing the Advisory Committee on Public Reporting of Health Care Associated Infections; relating to reporting and dissemination of data concerning health care associated infections; and providing for an effective date."

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

Consideration of the Calendar

Citations

Honoring – Helvi Sandvik, 2007 Junior Achievement, Alaska Business Hall of Fame Laureate
Senator(s) French, Green, Bunde, Cowdery, Davis, Dyson, Ellis, Elton, Hoffman, Huggins, Kookesh, McGuire, Olson, Stedman, Stevens, Therriault, Thomas, Wagoner, Wielechowski, Wilken

Honoring – Frances Alverta Macon

Senator(s) Davis, Green, Bunde, Cowdery, Dyson, Ellis, Elton, Hoffman, Huggins, Kookesh, McGuire, Olson, Stedman, Stevens, Therriault, Thomas, Wagoner, Wielechowski, Wilken

Honoring – Elizabeth Peratrovich Day

Senator(s) Davis, Green, Bunde, Cowdery, Dyson, Ellis, Elton, French, Hoffman, Huggins, Kookesh, McGuire, Olson, Stedman, Stevens, Therriault, Thomas, Wagoner, Wielechowski, Wilken

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

Senator(s) Cowdery, Green, Bunde, Davis, Dyson, Ellis, Elton, French, Hoffman, Huggins, Kookesh, McGuire, Olson, Stedman, Stevens, Therriault, Thomas, Wagoner, Wielechowski, Wilken

Honoring – Russel Hyde Merrill, Alaska Aviation Hall of Fame

Senator(s) Cowdery, Green, Bunde, Davis, Dyson, Ellis, Elton, French, Hoffman, Huggins, Kookesh, McGuire, Olson, Stedman, Stevens, Therriault, Thomas, Wagoner, Wielechowski, Wilken

Representative(s) Hawker, Samuels

In Memoriam – Sharon Parker

Senator(s) Davis, Green, Bunde, Cowdery, Dyson, Ellis, Elton, Hoffman, Huggins, Kookesh, McGuire, Olson, Stedman, Stevens, Therriault, Thomas, Wagoner, Wielechowski, Wilken

In Memoriam – Bessie Higgins

Senator(s) Davis, Green, Bunde, Cowdery, Dyson, Ellis, Elton, Hoffman, Huggins, Kookesh, McGuire, Olson, Stedman, Stevens, Therriault, Thomas, Wagoner, Wielechowski, Wilken

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

Senator(s) Olson, Green, Bunde, Cowdery, Dyson, Ellis, Elton, French, Hoffman, Huggins, Kookesh, McGuire, Stedman, Stevens, Therriault, Thomas, Wagoner, Wielechowski, Wilken

Representative(s) Joule

Senator Stedman, Acting Majority Leader, 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

Citations

Senator Stedman, Acting Majority Leader, moved and asked unanimous consent that the following citation be made a special order of business. Without objection, it was so ordered.

Special Order of Business – Citation

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

Representative(s) Gara

Senator(s) Green, Bunde, Cowdery, Davis, Dyson, Ellis, Elton, Hoffman, Huggins, Kookesh, McGuire, Olson, Stedman, Stevens, Therriault, Thomas, Wagoner, Wielechowski, Wilken

Senator Stedman, Acting Majority Leader, moved and asked unanimous consent that the citation be adopted. Without objection, the citation was adopted and referred to the Secretary for transmittal.

Senator Elton moved and asked unanimous consent to be excused from a call of the Senate from evening plane time, January 25 to evening plane time, January 28. Without objection, Senator Elton was excused.

Senator Olson moved and asked unanimous consent to be excused from a call of the Senate on January 22. Without objection, Senator Olson was excused.

Senator Bunde moved and asked unanimous consent to be excused from a call of the Senate from January 26 through January 28 and from February 2 through February 5. Without objection, Senator Bunde was excused.

Senator French moved and asked unanimous consent to be excused from a call of the Senate to morning plane time, on January 22. Without objection, Senator French was excused.

Election of Senate Secretary

Senator Cowdery, Rules Committee Chair, stated strong support for Acting Senate Secretary Kirsten Waid, nominated her as Senate Secretary, and moved and asked unanimous consent that Kirsten Waid be elected Secretary of the Senate for the Twenty-fifth Legislature. Without objection, Kirsten Waid was elected Secretary of the Senate for the Twenty-fifth Legislature.

Announcements

Announcements are at the end of the journal.

Adjournment

Senator Stedman, Acting Majority Leader, moved and asked unanimous consent that the Senate stand in adjournment until 11:00 a.m., January 22, 2007. Without objection, the Senate adjourned at 10:16 a.m.

Kirsten Waid
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

Jan 23	Tuesday No Meeting Scheduled	Beltz 211	3:30 PM
Jan 25	Thursday No Meeting Scheduled	Beltz 211	3:30 PM

FINANCE

Jan 19	Friday No Meeting Scheduled	Senate Finance 532	9:00 AM
Jan 22	Monday Committee Orientation and Introductions Department of Revenue - Revenue Update	Senate Finance 532	9:00 AM
Jan 23	Tuesday No Meeting Scheduled	Senate Finance 532	9:00 AM
Jan 24	Wednesday No Meeting Scheduled	Senate Finance 532	9:00 AM
Jan 25	Thursday No Meeting Scheduled	Senate Finance 532	9:00 AM
Jan 26	Friday No Meeting Scheduled	Senate Finance 532	9:00 AM

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HEALTH, EDUCATION & SOCIAL SERVICES

Jan 19	Friday No Meeting Scheduled	Butrovich 205	1:30 PM
Jan 22	Monday No Meeting Scheduled	Butrovich 205	1:30 PM
Jan 24	Wednesday No Meeting Scheduled	Butrovich 205	1:30 PM
Jan 26	Friday No Meeting Scheduled	Butrovich 205	1:30 PM

JUDICIARY

Jan 19	Friday No Meeting Scheduled	Beltz 211	1:30 PM
Jan 22	Monday + SB 19 EXEC. BRANCH ETHICS:INTERESTS & ACTIONS + SB 20 LEGISLATIVE DISCLOSURES + SB 13 BAN CONSULTING CONTRACTS WITH LEGISLATORS	Beltz 211	1:30 PM
Jan 24	Wednesday + SB 5 FAILURE TO REPORT CRIMES Bills Previously Heard/Scheduled	Beltz 211	1:30 PM
Jan 26	Friday Bills Previously Heard/Scheduled	Beltz 211	1:30 PM

LABOR & COMMERCE

Jan 23	Tuesday No Meeting Scheduled	Beltz 211	1:30 PM
Jan 25	Thursday + SB 24 BUSINESS LICENSE FEE + SB 39 BUSINESS LICENSE FEE + SB 41 REPEAL STUDDERED TIRE FEE	Beltz 211	1:30 PM

RESOURCES

Jan 19	Friday	Butrovich 205	3:30 PM
	No Meeting Scheduled		
Jan 22	Monday	Butrovich 205	3:30 PM
	No Meeting Scheduled		
Jan 24	Wednesday	Butrovich 205	3:30 PM
	No Meeting Scheduled		
Jan 26	Friday	Butrovich 205	3:30 PM
	No Meeting Scheduled		

STATE AFFAIRS

Jan 23	Tuesday	Beltz 211	9:00 AM
+ SB 55	NOTIFY CRIME VICTIM OF EXECUTIVE CLEMENCY		
+ SB 49	COMMEMORATIVE PLATES: STATEHOOD ANIV.		
+ SB 36	SENTENCING FOR ALCOHOL-RELATED CRIMES		
Jan 25	Thursday	Beltz 211	9:00 AM
+ SB 45	PEACE OFFICER CONVICTED OF MURDER		
+ SB 7	FELONS' RIGHT TO VOTE		
+ SB 25	STATE PLANNING AND BUDGET		
+	Bills Previously Heard/Scheduled		

TRANSPORTATION

Jan 23	Tuesday	Butrovich 205	1:30 PM
	No Meeting Scheduled		
Jan 25	Thursday	Butrovich 205	1:30 PM
	No Meeting Scheduled		

SPECIAL COMMITTEES**SPECIAL COMMITTEE ON EDUCATION**

Jan 24	Wednesday	Butrovich 205	8:00 AM
	Overview: Alaska Statewide Mentor Project		

SPECIAL COMMITTEE ON EDUCATION (continued)

Jan 26	Friday	Butrovich 205	8:00 AM
	Overview: No Child Left Behind: School Performance and Program Changes		

JOINT COMMITTEES**AK CLIMATE IMPACT ASSESSMENT COMMISSION**

Jan 24	Wednesday	Senate Finance 532	8:00 AM
+	Invited Testimony 8:00 am to 5:00 pm		
+	Public Testimony 6:00 pm to 8:00 pm		

OTHER MEETINGS**JOINT SESSION**

Feb 22	Thursday	House Chamber	11:00 AM
	Address by the Honorable Lisa Murkowski, U.S. Senator		
Feb 28	Wednesday	House Chamber	11:00 AM
	Chief Justice Dana Fabe's Annual State of the Judiciary Message		

MISCELLANEOUS MEETINGS

Jan 25	Thursday	House Finance 519	3:00 PM
	Open Caucus Discussion of Gasline Basics Representative Samuels, Majority Leader		