

SENATE JOURNAL
ALASKA STATE LEGISLATURE
TWENTY-EIGHTH LEGISLATURE

SECOND SESSION

Juneau, Alaska **Wednesday** **January 29, 2014**

Ninth Day

Pursuant to adjournment the Senate was called to order by President Huggins at 11:02 a.m.

The roll showed twenty members present.

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

Amid all the noise in our lives,
we take this moment to sit in silence
to give thanks for another day;
to give thanks for all those in our lives
who have brought us warmth and love;
to give thanks for the gift of life.

We know we are on our pilgrimage here but a brief moment
in time.

Let us open ourselves, here, now,
to the process of becoming more whole
of living more fully;
of giving and forgiving more freely;
of understanding more completely
the meaning of our lives here on this earth.
So be it.

Amen.

Senator Dyson led the Senate in the Pledge of Allegiance.

Certification

Senator Coghill moved and asked unanimous consent that the journals for the seventh and eighth legislative days be approved as certified by the Secretary. Without objection, it was so ordered.

Messages from the House

Message dated January 27 was read stating:

The House of Representatives respectfully invites the Senate to a Joint Session of the Twenty-eighth Alaska Legislature at 11:00 a.m. on Wednesday, February 12 for the purpose of hearing the State of the Judiciary Address by Chief Justice Dana Fabe.

Senator Coghill moved and asked unanimous consent that the Senate accept the House invitation to meet in Joint Session. Without objection, it was so ordered.

The Secretary was requested to notify the House.

Message dated January 27 was read stating:

The House of Representatives respectfully invites the Senate to a Joint Session of the Twenty-eighth Alaska Legislature at 11:00 a.m. on Wednesday, February 19 for the purpose of hearing Senator Lisa Murkowski's Annual Address.

Senator Coghill moved and asked unanimous consent that the Senate accept the House invitation to meet in Joint Session. Without objection, it was so ordered.

The Secretary was requested to notify the House.

Message dated January 27 was read stating:

The House of Representatives respectfully invites the Senate to a Joint Session of the Twenty-eighth Alaska Legislature at 11:00 a.m. on Monday, March 3 for the purpose of hearing Senator Mark Begich's Annual Address.

Senator Coghill moved and asked unanimous consent that the Senate accept the House invitation to meet in Joint Session. Without objection, it was so ordered.

The Secretary was requested to notify the House.

Communications

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

Alaska Occupational Safety and Health Evaluation Report for FY2013
from Dianne Blumer, Commissioner and Grey Mitchell, Director
Division of Labor Standard and Safety
Department of Labor and Workforce Development
in accordance with AS 18.60.040

A Summary of Efforts by the RCA to Reduce the Time Required to
Conclude Proceedings that Change a Utility's Revenue Requirement or
Rate Design, Department of Commerce, Community, and Economic
Development, Regulatory Commission of Alaska
from T.W. Patch, Chair

Report Regarding Assumption of Clean Water Act Section 404,
Department of Environmental Conservation
from Larry Hartig, Commissioner

State of Alaska Department of Health and Social Services Fiscal Year
2014 Operating Grants
from William Streur, Commissioner

Introduction and Reference of Senate Resolutions

SJR 16

SENATE JOINT RESOLUTION NO. 16 BY SENATOR GIESSEL,

Urging the federal government to stop providing funding, through federal agencies, to nongovernmental organizations that oppose the development of Alaska's resources

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

Introduction and Reference of Senate Bills

SB 143

SENATE BILL NO. 143 BY SENATOR WIELECHOWSKI, entitled:

"An Act providing for home and community-based waiver services under Medicaid for children of military service members."

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

SB 144

Senate Bill No. 144 was not introduced.

SB 145

SENATE BILL NO. 145 BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR, entitled:

"An Act relating to the Teachers' Retirement System, the Judicial Retirement System, and the Public Employees' Retirement System for qualified military service; relating to the definition of 'veteran' for purposes of housing, eligibility for veterans' loans, and preferences in state employment hiring; and providing for an effective date."

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

The following fiscal information was published today:

- Fiscal Note No. 1, zero, Department of Administration
- Fiscal Note No. 2, zero, Department of Administration
- Fiscal Note No. 3, zero, Department of Revenue
- Fiscal Note No. 4, zero, Department of Commerce, Community and Economic Development

Governor's transmittal letter dated January 28:

Dear President Huggins,

With over 74,000 veterans calling Alaska home, our state has more veterans per capita than any other state, comprising 15 percent of Alaska's population. Together, we strongly support and honor our veterans and military families.

Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting a bill relating to the Teachers' Retirement System, the Judicial Retirement System, and the Public Employees' Retirement System for qualified military service; and relating to the definition of "veteran" for purposes of housing, eligibility for veterans' loans, and preferences in State employment hiring.

Under Alaska law, veterans are eligible for special loan, housing, and employment preferences. However, the current statutory language limits these preferences to veterans of foreign wars up to and including the Vietnam War, and the State is currently unable to extend these preferences to veterans of recent conflicts. In recognition of our servicemen and women, this bill amends preference eligibility statutes to reflect updated periods of service in order to include veterans of more recent wars and conflicts extending eligibility for veterans' preferences to veterans of the 1991 Gulf War, veterans who served on active duty during Operation Iraqi Freedom, and includes provisions should future conflicts arise.

The bill will also ensure that military families receive full survivor benefits for fallen soldiers by implementing provisions of Heroes Earnings Assistance and Relief Tax Act (HEART Act) as they apply to the State PERS, TERS, and JERS retirement plans. Under the

HEART Act, employers are required to treat workers as if they were rehired the day before they died, ensuring that the worker is covered by the retirement plan at the time of death. The Act also addresses differential wage payments, compensation that a service member would have received from the employer during the service member's period of active duty had the employee not been called to active duty, to be treated as compensation for purpose of IRS reporting.

In addition to our many veterans, Alaska is privileged to have nearly 25,000 active military members and their families in our state. We are honored to have these forces call Alaska home, and we remain committed to supporting them and encouraging them to be an active part of our state for years after their military service ends.

I urge your prompt and favorable action on this measure.

Sincerely,

/s/

Sean Parnell
Governor

SB 146

SENATE BILL NO. 146 BY THE SENATE RULES COMMITTEE
BY REQUEST OF THE GOVERNOR, entitled:

"An Act approving and ratifying the sale of royalty oil by the State of Alaska to Tesoro Corporation and Tesoro Refining and Marketing Company LLC; 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, indeterminate, Department of Natural Resources

Governor's transmittal letter dated January 28:

Dear President Huggins,

Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting a bill approving and ratifying the sale of royalty oil by the State of Alaska to Tesoro Refining and Marketing Company, LLC (Tesoro).

Tesoro's Nikiski refinery is the largest tax payer in the Kenai Peninsula Borough and supplies products to 31 company-owned Alaska retail outlets and 44 "branded" outlets operated by franchise owners. This legislation would allow Tesoro to continue supplying these outlets with fuel, which will help strengthen Alaska's growing economy. Tesoro is a key economic engine in Alaska and specifically the Kenai Peninsula, employing 200 Alaskans in full-time, high paying positions. The Nikiski refinery produces approximately two to three million gallons per day of refined petroleum products, mostly consumed in Alaska.

This bill would approve and ratify an "Amendment to the Agreement for the Sale of Royalty Oil." The amendment would extend the existing contract by one year, providing for the sale of the State's royalty oil to Tesoro Refining and Marketing Company, LLC, allowing for royalty oil deliveries to continue until January 31, 2016. The contract provides for sale of between 5,000 and 15,000 barrels per day of the State's royalty oil, subject to certain nomination provisions. The royalty oil will be sold at a price calculated to equal or exceed the value the State would obtain for the royalty oil if it was taken in-value and sold by the producers rather than taken in-kind and sold by the State to Tesoro.

The Alaska Royalty Oil and Gas Development Advisory Board reviewed the proposed amendment through a public hearing process and, in accordance with AS 38.06.050, issued a written recommendation on December 11, 2013, for the legislative approval of the sale. A copy of the agreement for the sale of royalty oil to be amended, the resolution recommending approval, and the report required by AS 38.06.070(c) are available from the Department of Natural Resources.

Extending the 2013 Tesoro contract is in the State's best interest and is important to several hundred private-sector employees in the Kenai Peninsula Region, as well as the economy throughout the state of Alaska.

I urge your prompt and favorable action on this measure.

Sincerely,

/s/

Sean Parnell
Governor

Consideration of the Calendar

Citations

Honoring - Girdwood Elementary School, Alaska Reward School
2012-2013

Senator(s) Giessel, Huggins, Bishop, Coghill, Dunleavy, Dyson, Egan,
Ellis, Fairclough, French, Gardner, Hoffman, Kelly, McGuire, Meyer,
Micciche, Olson, Stedman, Stevens, Wielechowski
Representative(s) Hawker

Honoring - Forrest Luke Simpson, Eagle Scout Award

Senator(s) Giessel, Huggins, Bishop, Coghill, Dunleavy, Dyson, Egan,
Ellis, Fairclough, French, Gardner, Hoffman, Kelly, McGuire, Meyer,
Micciche, Olson, Stedman, Stevens, Wielechowski
Representative(s) Hawker

Honoring - Susan Orlansky

Senator(s) Gardner, Ellis, Huggins, Bishop, Coghill, Dunleavy, Dyson,
Egan, Fairclough, French, Hoffman, Kelly, McGuire, Meyer,
Micciche, Olson, Stedman, Stevens, Wielechowski

Honoring - Chief David Squires

Senator(s) Giessel, Huggins, Bishop, Coghill, Dunleavy, Dyson, Egan,
Ellis, Fairclough, Gardner, Hoffman, Kelly, McGuire, Meyer,
Micciche, Olson, Stedman, Stevens, Wielechowski

Honoring - Rhoda Torrefranca

Representative(s) Munoz

Senator(s) Egan, Huggins, Bishop, Coghill, Dunleavy, Dyson, Ellis, Fairclough, Gardner, Giessel, Hoffman, Kelly, McGuire, Meyer, Micciche, Olson, Stedman, Stevens, Wielechowski

Honoring - Emil Notti

Representative(s) Edgmon, Johnson

Senator(s) McGuire, Hoffman, Huggins, Bishop, Coghill, Dunleavy, Dyson, Egan, Ellis, Fairclough, French, Gardner, Giessel, Kelly, Meyer, Micciche, Olson, Stedman, Stevens, Wielechowski

Honoring - Britta Lemley

Representative(s) LeDoux

Senator(s) Wielechowski, Huggins, Bishop, Coghill, Dunleavy, Dyson, Egan, Ellis, Fairclough, Gardner, Giessel, Hoffman, Kelly, McGuire, Meyer, Micciche, Olson, Stedman, Stevens

In Memoriam - John Michael Beyers

Senator(s) Gardner, McGuire, Huggins, Bishop, Coghill, Dunleavy, Dyson, Egan, Ellis, Fairclough, Giessel, Hoffman, Kelly, Meyer, Micciche, Olson, Stedman, Stevens, Wielechowski

Senator Coghill 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

SB 142

Senators Dunleavy, Gardner, Micciche moved and asked unanimous consent to be shown as cosponsors on SENATE BILL NO. 142 "An Act relating to the powers of municipalities; prohibiting state and municipal agencies from using assets to assist a federal agency in collecting certain telephone records or electronic data without a warrant; prohibiting state and municipal agencies, officers, employees, and agents from cooperating with a federal agency in collecting certain telephone records or electronic data without a warrant; and providing for an effective date." Without objection, it was so ordered.

SJR 16

Senators Dunleavy, Kelly moved and asked unanimous consent to be shown as cosponsors on SENATE JOINT RESOLUTION NO. 16 Urging the federal government to stop providing funding, through federal agencies, to nongovernmental organizations that oppose the development of Alaska's resources. Without objection, it was so ordered.

SB 104

Senator Ellis moved and asked unanimous consent to be shown as a cosponsor on SENATE BILL NO. 104 "An Act relating to appropriations from the dividend fund; creating the criminal fund; and providing for an effective date." Without objection, it was so ordered.

Senator Dunleavy moved and asked unanimous consent to be excused from a call of the Senate from evening plane time, January 30 through evening plane time, February 2. Without objection, Senator Dunleavy was excused.

Senator Gardner moved and asked unanimous consent to amend a prior excusal (page 1452) in order to be excused from a call of the Senate from evening plane time, January 31 through evening plane time, February 2. Without objection, Senator Gardner was excused.

Senator Stedman moved and asked unanimous consent to be excused from a call of the Senate from afternoon plane time, January 31 through evening plane time, February 2. Without objection, Senator Stedman was excused.

Senator McGuire moved and asked unanimous consent to be excused from a call of the Senate on January 31. Without objection, Senator McGuire was excused.

Senator Hoffman moved and asked unanimous consent to amend a prior excusal (page 1452) in order to be excused from a call of the Senate on January 31 and on February 3. Without objection, Senator Hoffman was excused.

Senator Stevens moved and asked unanimous consent to be excused from a call of the Senate from morning plane time, February 12 through evening plane time, February 16. Without objection, Senator Stevens was excused.

HB 71

The President appointed the following members to a 2d Conference Committee to meet with the like committee from the House to consider the following bills:

SENATE CS FOR CS FOR HOUSE BILL NO. 71(FIN)

"An Act requiring the Commercial Fisheries Entry Commission to report biennially on the vessel-based limited entry fisheries system for the weathervane scallop and Bering Sea hair crab fisheries; requiring the Department of Commerce, Community, and Economic Development to file an annual report to the legislature regarding statewide and regional economic development projects and regional development organizations; extending the termination date of the Alaska regional economic assistance program; extending the termination date of the authority of the Commercial Fisheries Entry Commission to maintain a vessel-based limited entry fisheries system for the weathervane scallop and Bering Sea hair crab fisheries; providing for an effective date by amending the effective date under sec. 28, ch. 137, SLA 2002; and providing for an effective date."

and

CS FOR HOUSE BILL NO. 71(FIN)

"An Act requiring the Department of Commerce, Community, and Economic Development to file an annual report to the legislature regarding statewide and regional economic development projects and regional development organizations; extending the termination date of the Alaska regional economic assistance program; and providing for an effective date."

Senator Coghill, Chair
Senator Gardner
Senator Micciche

House members appointed January 24 (House Journal page 1438).

The Secretary was requested to notify the House.

Announcements

Announcements are at the end of the journal.

Adjournment

Senator Coghill moved and asked unanimous consent that the Senate stand in adjournment until 10:00 a.m., January 31, 2014. Without objection, the Senate adjourned at 11:38 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

Jan 30 Thursday Butrovich 205 3:30 PM
 No Meeting Scheduled

EDUCATION

Jan 29 Wednesday Beltz 105 (tsbldg) 8:00 AM
 + SB 107 ESTABLISH K THROUGH 3 READING PROGRAM
 Bills Previously Heard/Scheduled

Jan 31 Friday Beltz 105 (tsbldg) 8:00 AM
 += HB 190 CREDIT FOR SECONDARY SCHOOL COURSES
 Bills Previously Heard/Scheduled

Feb 03 Monday Capitol 106 8:00 AM
 -- Location Change --
 Joint w/House Education
 + SB 139 EDUCATION: FUNDING/TAX CREDITS/PROGRAMS
 Bills Previously Heard/Scheduled

FINANCE

Jan 29 Wednesday Senate Finance 532 9:00 AM
 + Presentation: Rural Transportation Infrastructure
 Development - Innovative Solutions to Local
 Transportation Needs
 Mike McKinnon, Owner/Manager, McKinnon &
 Associates

FINANCE (continued)

Jan 30 Thursday Senate Finance 532 9:00 AM
 += SB 121 APPROP: MENTAL HEALTH BUDGET
 FY 2015 Budget Overview and Presentation
 Jeff Jessee, CEO, Alaska Mental Health Trust
 Authority

Jan 31 Friday Senate Finance 532 9:00 AM
 + SB 125 REJECT RECOMMENDATION OF COMP. COMMISSION

HEALTH & SOCIAL SERVICES

Jan 29 Wednesday Butrovich 205 1:30 PM
 No Meeting Scheduled

Jan 31 Friday Butrovich 205 1:30 PM
 No Meeting Scheduled

JUDICIARY

Jan 29 Wednesday Beltz 105 (tsbldg) 1:30 PM
 += SB 64 OMNIBUS CRIME/CORRECTIONS BILL
 -- Testimony <Invitation Only> --
 Bills Previously Heard/Scheduled

Jan 31 Friday Beltz 105 (tsbldg) 1:30 PM
 += SB 64 OMNIBUS CRIME/CORRECTIONS BILL
 -- Testimony <Invitation Only> --
 Bills Previously Heard/Scheduled

LABOR & COMMERCE

Jan 30 Thursday Beltz 105 (tsbldg) 1:30 PM
 No Meeting Scheduled

RESOURCES

Jan 29 Wednesday Butrovich 205 3:30 PM
 + Gasline Issues
 + Heads of Agreement
 + Memorandum of Understanding
 -Department of Natural Resources
 -Department of Revenue
 -- Testimony <Invitation Only> --
 Bills Previously Heard/Scheduled

Jan 31 Friday Butrovich 205 3:30 PM
 + The Alaska LNG Project
 -Steve Butt, Senior Project Manager
 -- Testimony <Invitation Only> --
 Bills Previously Heard/Scheduled

STATE AFFAIRS

Jan 30 Thursday Butrovich 205 9:00 AM
 Overview: Consumer Driven Health Plans
 Deputy Director Chief of Staff, Denny Darrow for
 Indiana State Personnel Department

TRANSPORTATION

Jan 30 Thursday Barnes 124 1:00 PM
 + Joint w/ House Transportation
 Update on State Rail Plan
 Haines Railroad Study and the G7G
 Army Corps of Engineers: Update on Arctic Ports

FINANCE SUBCOMMITTEES**ENVIRONMENTAL CONSERVATION**

Feb 26 Wednesday Senate Finance 532 12:00 PM
 + Department Overview

ENVIRONMENTAL CONSERVATION (continued)

Mar 05 **Wednesday** **Senate Finance 532** **12:00 PM**
 + Department Overview

Mar 12 **Wednesday** **Senate Finance 532** **12:00 PM**
 + Department Close-out

FISH & GAME

Feb 24 **Monday** **Senate Finance 532** **3:00 PM**
 + Department Overview

Mar 03 **Monday** **Senate Finance 532** **3:00 PM**
 + Department Overview

Mar 10 **Monday** **Senate Finance 532** **3:00 PM**
 + Department Overview

Mar 17 **Monday** **Senate Finance 532** **3:00 PM**
 + Department Close-out

HEALTH & SOCIAL SERVICES

Feb 06 **Thursday** **Fahrenkamp 203** **8:00 AM**
 + MMIS Status, Problems, Solutions
 -- Testimony <Invitation Only> --

Feb 12 **Wednesday** **Beltz 105 (tsbldg)** **3:00 PM**
 + Medicaid Projections, GAP
 -- Testimony <Invitation Only> --

Feb 13 **Thursday** **Fahrenkamp 203** **8:00 AM**
 + Medicaid continued
 -- Testimony <Invitation Only> --

Feb 19 **Wednesday** **Beltz 105 (tsbldg)** **3:00 PM**
 + Behavioral Health - Effect of Reductions, Alcohol
 Tax Funds, CBC
 -- Testimony <Invitation Only> --

HEALTH & SOCIAL SERVICES (continued)

Feb 20	Thursday	Fahrenkamp 203	8:00 AM
+	Mental Health Trust		
	-- Testimony <Invitation Only> --		
Feb 27	Thursday	Fahrenkamp 203	8:00 AM
+	OCS Status - Effect of Reductions to Expenditure Levels in the Department, Tobacco Prevention and Control Funds Cuts, Effect of Elimination of Rabies PEP		
	-- Testimony <Invitation Only> --		
Mar 17	Monday	Beltz 105 (tsbldg)	3:00 PM
+	Budget Close-out		
	-- Testimony <Invitation Only> --		

MILITARY & VETERANS' AFFAIRS

Feb 28	Friday	Sen Conf Rm 103 TSB	5:00 PM
	Department Overview		
Mar 03	Monday	Sen Conf Rm 103 TSB	5:00 PM
	Increments and Decrements Legislative Concerns and Issues		
Mar 04	Tuesday	Sen Conf Rm 103 TSB	5:00 PM
	Wrap-up Draft Close-out		
Mar 10	Monday	Sen Conf Rm 103 TSB	5:00 PM
	Close-out		

PUBLIC SAFETY

Feb 04	Tuesday	Fahrenkamp 203	3:30 PM
+	Status of VPSO Program		
	-- Testimony <Invitation Only> --		
Feb 11	Tuesday	Fahrenkamp 203	3:30 PM
+	Status of VPSO Program continued		
	-- Testimony <Invitation Only> --		

PUBLIC SAFETY (continued)

Feb 18 +	Tuesday Shelter Programs & Funding; Effects of Governor's DVSA Initiative -- Testimony <Invitation Only> --	Fahrenkamp 203	3:30 PM
Feb 25 +	Tuesday Reductions Included in the Budget -- Testimony <Invitation Only> --	Fahrenkamp 203	3:30 PM
Mar 13 +	Thursday Budget Close-out -- Testimony <Invitation Only> --	Fahrenkamp 203	3:30 PM

JOINT COMMITTEES

LEGISLATIVE COUNCIL

Jan 30 +	Thursday -- Teleconference <Listen Only> -- Ratification of Charitable Events -AK Governor's Awards for the Arts & Humanities Reception -Tinaa Art Auction -2014 Fahrenkamp-Kelly Classic Putting Tournament -Girl Scout Annual Auction and Fundraiser Contract Approvals <Above Item Removed from Agenda> Other Committee Business -2014 Revisor's Bill Approval -FY 13 Legislative Audit -Late Travel & Per Diem Requests	Senate Finance 532	11:00 AM
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OTHER MEETINGS

JOINT SESSION

Feb 12	Wednesday State of the Judiciary Address by Chief Justice Dana Fabe	House Chamber	11:00 AM
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JOINT SESSION (continued)

Feb 19 **Wednesday** **House Chamber** **11:00 AM**
Annual Address by the Honorable
Lisa Murkowski, U.S. Senator

Mar 03 **Monday** **House Chamber** **11:00 AM**
Annual Address by the Honorable
Mark Begich, U.S. Senator

MISCELLANEOUS MEETING

Feb 10 **Monday** **Capitol 106** **1:00 PM**
School District Legislative Fly-In
Informal Q&A Session Regarding Alaska's
Public School System