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FIRST SESSION

Juneau, Alaska

Monday

April 15, 2019

Ninety-first Day

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

The roll showed nineteen members present. Senator Wielechowski was excused from a call of the Senate.

The prayer was offered by the Chaplain, Pastor Gordon Mills, Glacier Valley Baptist Church. Senator Hoffman moved and asked unanimous consent the prayer be spread. Without objection, it was so ordered.

Dear Heavenly Father;

We come before you today recognizing Who you are, the Almighty, creator of the heavens and the earth, and all of life. In you and you alone is life, and you hold eternity in your hands. We thank you for the fact that you love each and every one of us, that you know us by name, and that you know the personal issues, struggles, and challenges that we face personally and corporately. Thank you for this and for the blessings you give, for the ones we are aware of and especially for those we are not. You watch over us, personally, even if we are often unaware. We are finite and fallible, and thankfully you are infinite and infallible.

You have revealed to us that if we lack wisdom that we can ask you, and combined with that we would seek your discernment and insight. Place within each

one of us an attitude that can make a positive difference for all concerned. Your Word directs us to “Be like-minded, having the same love, being one in spirit and purpose. Do nothing out of selfish ambition or vain conceit, but in humility consider others better than yourselves. Each of you should look not only to your own interests, but also to the interests of others” (Phil 2:2-4). Father we ask you to place within each of us to have that spirit and desire; to work together to reach the decisions that will honor You and be of benefit to all concerned. We face some difficult circumstances and significant decisions. We need Your wisdom, and we seek it. Please grant us your grace, your enabling grace as we engage this day.

I ask this in the name of your Son Jesus, in whom is the power of life. Amen.

Senator Costello led the Senate in the Pledge of Allegiance.

Certification

Senator Costello moved and asked unanimous consent the journals for the eighty-eighth through ninetieth legislative days be approved as certified by the Secretary. Without objection, it was so ordered.

Messages from the House

Message dated April 12 was read stating the House passed and transmitted for consideration:

First Reading and Reference of House Bills

HB 48

CS FOR HOUSE BILL NO. 48(FIN) am BY THE HOUSE FINANCE COMMITTEE, entitled:

"An Act removing from the exempt service of the state persons who are employed in a professional capacity to make a temporary or special inquiry, study, or examination as authorized by the governor and including those persons in the partially exempt service of the state; repealing the authority of the governor or a designee of the governor to authorize higher pay than is otherwise allowable for certain partially exempt employees in the executive branch; requiring the commissioner of administration to submit a report to the legislature; and providing for an effective date."

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

Standing Committee Reports

Report dated April 12 was read stating:

In accordance with AS 39.05.080, the Judiciary Committee reviewed the following and recommends the appointment be forwarded to a joint session for consideration:

Commission on Judicial Conduct

Jane Mores – Juneau

This does not reflect an intent by any of the members to vote for or against the confirmation of the individual during any further sessions.

Signing the report: Senator Hughes, Chair; Senators Kiehl, Micciche.

Report dated April 12 was read stating:

In accordance with AS 39.05.080, the Resources Committee reviewed the following and recommends the appointments be forwarded to a joint session for consideration:

Board of Game

Allen "Al" Barrette - Fairbanks

Orville Huntington - Fairbanks

This does not reflect an intent by any of the members to vote for or against the confirmation of the individuals during any further sessions.

Signing the report: Senator Birch, Chair; Senators Giessel, Coghill, Bishop, Kiehl.

SB 44

The Finance Committee considered SENATE BILL NO. 44 "An Act relating to the prescription of drugs by a physician assistant without physical examination" and recommended it be replaced with

CS FOR SENATE BILL NO. 44(FIN) "An Act relating to the prescription of drugs by a physician assistant without physical examination; and providing for an effective date."

Signing do pass: Senators Stedman, von Imhof, Cochairs; Senators Micciche, Hoffman, Olson, Wilson, Bishop. Signing no recommendation: Senator Shower.

The following previously published fiscal information applies:

Fiscal Note No. 1, Department of Commerce, Community, and
Economic Development

Fiscal Note No. 2, zero, Department of Administration

The bill was referred to the Rules Committee.

Introduction and Reference of Senate Bills**SB 111**

SENATE BILL NO. 111 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.

April 15, 2019

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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 April 12:

Dear President Giessel:

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 as a result 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, 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/

Michael J. Dunleavy

Governor

SB 112

SENATE BILL NO. 112 BY THE SENATE RULES COMMITTEE
BY REQUEST OF THE GOVERNOR, entitled:

"An Act relating to medical assistance for needy persons; relating to material incorporated by reference; relating to payment for prescribed drugs; and providing for an effective date."

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

The following fiscal information was published today:

- Fiscal Note No. 1, Department of Commerce, Community, and Economic Development
- Fiscal Note No. 2, zero, Department of Corrections
- Fiscal Note No. 3, Department of Health and Social Services
- Fiscal Note No. 4, Department of Health and Social Services
- Fiscal Note No. 5, Department of Health and Social Services
- Fiscal Note No. 6, Department of Health and Social Services
- Fiscal Note No. 7, Department of Health and Social Services
- Fiscal Note No. 8, Department of Health and Social Services

Governor's transmittal letter dated April 12:

Dear President Giessel:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill regarding medical assistance for eligible persons.

First, the bill would make changes to state coverage under the Affordable Care Act's Medicaid expansion to provide more cost effective and efficient means to provide medical assistance to eligible persons, either through third party payer coverage or through a state-paid medical assistance program. Second, the bill would broaden the department's authorization to seek certain federal waivers without going through an extensive legislative or regulatory process. Third, the bill would provide authority for the Department of Health and Social Services to implement cost containment measures regarding provider

rates, including by emergency regulation. Importantly, the bill would allow the department to develop preferred drug lists to control costs and make medical treatment and access to needed medications more streamlined. Last, the bill would direct the Department of Health and Social Services to apply for required federal waivers in order to provide coverage for those traditionally covered by medical assistance programs through the individual health insurance market or exchange. Together, these tools will improve our state's ability to provide medical assistance to eligible persons.

I urge your prompt and favorable action on this measure.

Sincerely,

/s/

Michael J. Dunleavy
Governor

SB 113

SENATE BILL NO. 113 BY SENATOR HUGHES, entitled:

"An Act relating to national board certification for public school teachers."

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

SB 114

SENATE BILL NO. 114 BY THE SENATE EDUCATION COMMITTEE, entitled:

"An Act relating to course credit for students; relating to annual reports regarding school district performance and school district employees; relating to cooperative arrangements between school districts; relating to school operating fund reserves; relating to competency examinations for teacher certificates; relating to the duties and powers of the Department of Education and Early Development; relating to the Professional Teaching Practices Commission; relating to a virtual education consortium; establishing a reading intervention program for

students in grades kindergarten through three; establishing the Alaska middle college program for public school students; relating to the powers of the University of Alaska; relating to reporting requirements of the Board of Regents of the University of Alaska; and providing for an effective date."

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

Consideration of the Calendar

Second Reading of Senate Bills

SB 43

SENATE BILL NO. 43 "An Act extending the termination date of the Big Game Commercial Services Board; and providing for an effective date" was read the second time.

Senator von Imhof, Cochair, moved and asked unanimous consent for the adoption of the Finance Committee Substitute offered on page 777. Senator Begich objected, then withdrew his objection. There being no further objection, CS FOR SENATE BILL NO. 43(FIN) "An Act extending the termination date of the Big Game Commercial Services Board; relating to a person's eligibility to hold a registered guide-outfitter license, master guide-outfitter license, class-A assistant guide license, assistant guide license, or transporter license; and providing for an effective date" was adopted.

President Giessel stated CS FOR SENATE BILL NO. 43(FIN) will advance to third reading on the April 17 calendar.

SB 61

SENATE BILL NO. 61 "An Act relating to claims against protection and indemnity insurance policies of vessel owners" was read the second time.

President Giessel stated SENATE BILL NO. 61 will advance to third reading on the April 17 calendar.

SB 83

SENATE BILL NO. 83 "An Act relating to the Regulatory Commission of Alaska; relating to the public utility regulatory cost charge; relating to the regulation of telecommunications; relating to exemptions, charges, and rates applicable to telecommunications utilities; relating to regulation of telephone services; and relating to alternate operator services" was read the second time.

Senator Kiehl offered Amendment No. 1:

Page 2, line 2:

Delete "not"

Senator Kiehl moved for the adoption of Amendment No. 1. Senator Costello objected.

The question being: "Shall Amendment No. 1 be adopted?" The roll was taken with the following result:

SB 83

Second Reading

Amendment No. 1?

YEAS: 5 NAYS: 14 EXCUSED: 1 ABSENT: 0

Yeas: Begich, Gray-Jackson, Kawasaki, Kiehl, Olson

Nays: Birch, Bishop, Coghill, Costello, Giessel, Hoffman, Hughes, Micciche, Reinbold, Shower, Stedman, Stevens, von Imhof, Wilson

Excused: Wielechowski

and so, Amendment No. 1 failed.

Senator Costello moved and asked unanimous consent the bill be considered engrossed, advanced to third reading and placed on final passage. Without objection, it was so ordered.

SENATE BILL NO. 83 was read the third time.

The question being: "Shall SENATE BILL NO. 83 "An Act relating to the Regulatory Commission of Alaska; relating to the public utility regulatory cost charge; relating to the regulation of telecommunications; relating to exemptions, charges, and rates applicable to telecommunications utilities; relating to regulation of telephone services; and relating to alternate operator services" pass the Senate?" The roll was taken with the following result:

SB 83

Third Reading - Final Passage

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

Yeas: Begich, Birch, Bishop, Coghill, Costello, Giessel, Gray-Jackson, Hoffman, Hughes, Micciche, Olson, Reinbold, Shower, Stedman, Stevens, von Imhof, Wilson

Nays: Kawasaki, Kiehl

Excused: Wielechowski

and so, SENATE BILL NO. 83 passed the Senate and was referred to the Secretary for engrossment.

Third Reading of Senate Resolutions

SJR 8

SENATE JOINT RESOLUTION NO. 8 Supporting the ratification of the United States-Mexico-Canada Agreement on trade; encouraging the federal Administration to remove the steel and aluminum tariffs on imports from Canada and Mexico; and urging the United States Congress and the federal Administration to call on Canada and Mexico to remove retaliatory tariffs on all goods and services exported from the United States, was read the third time.

Senator Kawasaki moved the resolution be returned to second reading for the purpose of considering Amendment No. 1 through Amendment No. 4. Without objection, the resolution was returned to second reading.

Senator Kawasaki offered Amendment No. 1:

Page 1, line 1, following "trade;":

Insert "**urging the United States Congress to change the production wage rate calculation in the United States-Mexico-Canada Agreement from an average hourly base rate to a minimum hourly base rate;**"

Page 3, line 8, following "marketplace;":

Insert "and

WHEREAS, under ch. 4, art. 7, n. 76 of the United States-Mexico-Canada Agreement, the production wage rate of \$16 an hour is calculated as an average hourly base rate, which minimizes the potential effect of the production wage rate by allowing employers to pay some workers much less than \$16 an hour and use the pay of high wage workers to raise the average wage rate;"

Page 3, line 11, following "agreement":

Insert "with a change to the production wage rate calculation"

Page 3, line 17, following "United States":

Insert "; and be it

FURTHER RESOLVED that the Alaska State Legislature urges the United States Congress to change the production wage rate calculation under ch. 4, art. 7, n. 76 of the United States-Mexico-Canada Agreement from an average hourly base rate to a minimum hourly base rate"

Senator Kawasaki moved for the adoption of Amendment No. 1. Senator Costello objected.

The question being: "Shall Amendment No. 1 be adopted?" The roll was taken with the following result:

SJR 8

Second Reading

Amendment No. 1?

YEAS: 6 NAYS: 13 EXCUSED: 1 ABSENT: 0

Yeas: Begich, Giessel, Gray-Jackson, Kawasaki, Kiehl, Olson

Nays: Birch, Bishop, Coghill, Costello, Hoffman, Hughes, Micciche, Reinbold, Shower, Stedman, Stevens, von Imhof, Wilson

Excused: Wielechowski

and so, Amendment No. 1 failed.

Senator Kawasaki offered Amendment No. 2:

Page 1, line 1, following "**trade**";:

Insert "**urging the United States Congress to change the production wage rate calculation in the United States-Mexico-Canada Agreement to provide that the production wage rate will be adjusted for inflation**;"

Page 3, line 8, following "marketplace";:

Insert "and

WHEREAS, under ch. 4, art. 7, n. 76 of the United States-Mexico-Canada Agreement, the production wage rate of \$16 an hour is not tied to inflation, which allows employers the option to ignore inflation and pay workers less than the agreement intends;"

Page 3, line 11, following "agreement":

Insert "with a change to allow adjustment of the production wage rate for inflation"

Page 3, line 17, following "United States":

Insert "; and be it

FURTHER RESOLVED that the Alaska State Legislature urges the United States Congress to change the production wage rate calculation under ch. 4, art. 7, n. 76 of the United States-Mexico-Canada Agreement to provide that the production wage rate will be adjusted for inflation"

Senator Kawasaki moved for the adoption of Amendment No. 2. Senator Costello objected.

The question being: "Shall Amendment No. 2 be adopted?" The roll was taken with the following result:

SJR 8

Second Reading

Amendment No. 2?

YEAS: 5 NAYS: 14 EXCUSED: 1 ABSENT: 0

Yeas: Begich, Gray-Jackson, Kawasaki, Kiehl, Olson

Nays: Birch, Bishop, Coghill, Costello, Giessel, Hoffman, Hughes, Micciche, Reinbold, Shower, Stedman, Stevens, von Imhof, Wilson

Excused: Wielechowski

and so, Amendment No. 2 failed.

Amendment No. 3 was not offered.

Senator Kawasaki offered Amendment No. 4:

Page 1, line 1, following "**trade**";:

Insert "**urging the United States Congress to remove the United States exemption from the discrimination provisions of the United States-Mexico-Canada Agreement**;"

Page 3, line 8, following "marketplace";:

Insert "and

WHEREAS ch. 23, art. 9, n. 13 of the United States-Mexico-Canada Agreement needlessly exempts the United States from the coverage of the provision that requires the parties to the agreement to implement policies they consider appropriate to protect workers against employment discrimination on the basis of sex, pregnancy, sexual orientation, gender identity, and caregiving responsibilities, to provide job-protected leave for birth or adoption of a child and care of family members, and to protect against wage discrimination;"

Page 3, line 11, following "agreement";:

Insert "with the removal of the United States exemption from the discrimination provisions"

Page 3, line 17, following "United States":

Insert "; and be it

FURTHER RESOLVED that the Alaska State Legislature urges the United States Congress to remove the United States exemption from ch. 23, art. 9, n. 13 of the United States-Mexico-Canada Agreement"

Senator Kawasaki moved for the adoption of Amendment No. 4. Senator Costello objected.

The question being: "Shall Amendment No. 4 be adopted?" The roll was taken with the following result:

SJR 8

Second Reading

Amendment No. 4?

YEAS: 5 NAYS: 14 EXCUSED: 1 ABSENT: 0

Yeas: Begich, Gray-Jackson, Kawasaki, Kiehl, Olson

Nays: Birch, Bishop, Coghill, Costello, Giessel, Hoffman, Hughes, Micciche, Reinbold, Shower, Stedman, Stevens, von Imhof, Wilson

Excused: Wielechowski

and so, Amendment No. 4 failed.

SENATE JOINT RESOLUTION NO. 8 was automatically in third reading.

The question being: "Shall SENATE JOINT RESOLUTION NO. 8 Supporting the ratification of the United States-Mexico-Canada Agreement on trade; encouraging the federal Administration to remove the steel and aluminum tariffs on imports from Canada and Mexico; and urging the United States Congress and the federal Administration to call on Canada and Mexico to remove retaliatory tariffs on all goods and services exported from the United States, pass the Senate?" The roll was taken with the following result:

SJR 8

Third Reading - Final Passage

YEAS: 19 NAYS: 0 EXCUSED: 1 ABSENT: 0

Yeas: Begich, Birch, Bishop, Coghill, Costello, Giessel, Gray-Jackson, Hoffman, Hughes, Kawasaki, Kiehl, Micciche, Olson, Reinbold, Shower, Stedman, Stevens, von Imhof, Wilson

Excused: Wielechowski

and so, SENATE JOINT RESOLUTION NO. 8 passed the Senate and was referred to the Secretary for engrossment.

SJR 11

SENATE JOINT RESOLUTION NO. 11 Urging the United States Secretary of State to issue a Presidential permit authorizing a railroad crossing of the Alaska-Canada border from state land into Yukon, Canada; and supporting cooperation between the United States and Canada to establish a public-private partnership for construction of a railroad from Alberta, Canada, to the state that would connect the Alaska Railroad to the North American railroad system, was before the Senate.

Senator Costello moved the resolution be returned to second reading for the adoption of the Transportation Committee Substitute. Without objection, the resolution was returned to second reading.

Senator Hughes, Chair, moved and asked unanimous consent for the adoption of the Transportation Committee Substitute offered on page 778. Senator Begich objected, then withdrew his objection. There being no further objection, CS FOR SENATE JOINT RESOLUTION NO. 11(TRA) Urging the United States to issue a Presidential permit authorizing a railroad crossing of the Alaska-Canada border from state land into Yukon, Canada; and supporting cooperation between the United States and Canada to establish a public-private partnership for construction of a railroad from Alberta, Canada, to the state that would connect the Alaska Railroad to the North American railroad system, was adopted.

CS FOR SENATE JOINT RESOLUTION NO. 11(TRA) was automatically in third reading and was read the third time.

The question being: "Shall CS FOR SENATE JOINT RESOLUTION NO. 11(TRA) Urging the United States to issue a Presidential permit authorizing a railroad crossing of the Alaska-Canada border from state land into Yukon, Canada; and supporting cooperation between the United States and Canada to establish a public-private partnership for construction of a railroad from Alberta, Canada, to the state that would connect the Alaska Railroad to the North American railroad system, pass the Senate?" The roll was taken with the following result:

CSSJR 11(TRA)

Third Reading - Final Passage

YEAS: 19 NAYS: 0 EXCUSED: 1 ABSENT: 0

Yeas: Begich, Birch, Bishop, Coghill, Costello, Giessel, Gray-Jackson, Hoffman, Hughes, Kawasaki, Kiehl, Micciche, Olson, Reinbold, Shower, Stedman, Stevens, von Imhof, Wilson

Excused: Wielechowski

and so, CS FOR SENATE JOINT RESOLUTION NO. 11(TRA) passed the Senate and was referred to the Secretary for engrossment.

Citations

Honoring - Alaska's 60th Anniversary of Statehood
Senator Coghill

Honoring - Aliy Zirkle
Senators Coghill, Kiehl

Honoring - Jyotsna and Steve Heckman
Senator Coghill

Honoring - University of Alaska Student Government Associations
Senators Kawasaki, Birch
Representative LeDoux

Honoring - Robert Auth
Representative Claman

Honoring - The Legislative Affairs Agency Online Democracy Award
Winner

Representative Eastman
Senator Shower

Honoring - John Sturgeon
Representatives Eastman, Rauscher
Senator Shower

In Memoriam - Dick L. Madson
Senator Coghill

In Memoriam - Jon Thomas Lundquist
Senator Coghill

In Memoriam - Sarah Latta Carter Crawford
Senator Coghill

In Memoriam - Mildred M. Oyoumick "Iggalli"
Senator Olson
Representative Foster

In Memoriam - Lavonne Okeasik
Senator Olson
Representative Foster

In Memoriam - Ida Ruth "Tattoovik" Nakarak
Senator Olson
Representative Foster

In Memoriam - Ellen Amaateka Baize
Senator Olson
Representative Foster

In Memoriam - Dr. Derrick Leedy
Senator Olson
Representative Foster

In Memoriam - Benedict A. Snowball
Senator Olson
Representative Foster

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

Unfinished Business

Senator Bishop moved and asked unanimous consent to be excused from a call of the Senate from evening plane time, April 18 through morning plane time, April 22. Without objection, Senator Bishop was excused.

SB 95

Senators Bishop, Stevens moved and asked unanimous consent to be shown as cosponsors on SENATE BILL NO. 95 "An Act approving the transfer of certain Alaska Railroad Corporation land; and providing for an effective date." Without objection, it was so ordered.

Senator Reinbold moved and asked unanimous consent to be excused from a call of the Senate from afternoon plane time, May 21 through evening plane time, May 26. Without objection, Senator Reinbold was excused.

Senator Costello moved and asked unanimous consent President Giessel be excused from a call of the Senate from afternoon plane time, April 19 through evening plane time, April 21. Without objection, Senator Giessel was excused.

Senator Olson moved and asked unanimous consent to be excused from a call of the Senate from morning plane time, May 3 through evening plane time, May 6. Without objection, Senator Olson was excused.

Senator Gray-Jackson moved and asked unanimous consent to be excused from a call of the Senate from morning plane time, April 19 through evening plane time, April 21. Without objection, Senator Gray-Jackson was excused.

Announcements

Announcements are at the end of the journal.

Engrossment**SB 83**

SENATE BILL NO. 83 "An Act relating to the Regulatory Commission of Alaska; relating to the public utility regulatory cost charge; relating to the regulation of telecommunications; relating to exemptions, charges, and rates applicable to telecommunications utilities; relating to regulation of telephone services; and relating to alternate operator services" was engrossed, signed by the President and Secretary and transmitted to the House for consideration.

SJR 8

SENATE JOINT RESOLUTION NO. 8 Supporting the ratification of the United States-Mexico-Canada Agreement on trade; encouraging the federal Administration to remove the steel and aluminum tariffs on imports from Canada and Mexico; and urging the United States Congress and the federal Administration to call on Canada and Mexico to remove retaliatory tariffs on all goods and services exported from the United States, was engrossed, signed by the President and Secretary and transmitted to the House for consideration.

SJR 11

CS FOR SENATE JOINT RESOLUTION NO. 11(TRA) Urging the United States to issue a Presidential permit authorizing a railroad crossing of the Alaska-Canada border from state land into Yukon, Canada; and supporting cooperation between the United States and Canada to establish a public-private partnership for construction of a railroad from Alberta, Canada, to the state that would connect the Alaska Railroad to the North American railroad system, was engrossed, signed by the President and Secretary and transmitted to the House for consideration.

Adjournment

Senator Costello moved and asked unanimous consent the Senate stand in adjournment until 11:00 a.m., April 17, 2019. Without objection, the Senate adjourned at 12:10 p.m.

Liz Clark
Secretary of the Senate

Announcements

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