

SENATE JOURNAL
ALASKA STATE LEGISLATURE
THIRTIETH LEGISLATURE
SECOND SESSION

Juneau, Alaska

Monday

March 5, 2018

Forty-ninth Day

Pursuant to adjournment the Senate was called to order by President Kelly at 11:01 a.m.

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

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

Almighty God, our Father, I humbly ask Your blessings on our great state of Alaska, as well as our representatives gathered here today. I ask that You would give them eyes of clear vision so they may see clearly, the way You see. Open their ears so they may hear Your voice, the voices of the representatives gathered around them and the many voices of the people of Alaska whom they represent. Open their minds so they may guide us with wisdom and think of successful solutions to the issues Alaskans face. Give them hearts that love as you love.

As I bow before you, may we make a commitment in our hearts and on our lips to always do what is best for the State of Alaska, in regards to our resources, our citizens and our way of life.

May we work hard, in humility to solve our differences and serve courageously as we follow in the footsteps of the great leaders of our past while creating new pathways for our future.

I pray this in the name of God, the creator and preserver of our great land and diverse people. Amen.

Senator Olson led the Senate in the Pledge of Allegiance.

Certification

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

Standing Committee Reports

Report dated March 2 was read stating:

The Judiciary Committee reviewed the following and recommends the appointment be forwarded to the Senate floor for consideration:

Select Committee on Legislative Ethics

(AS 24.60.130)

Dennis "Skip" Cook, Public Member

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

Signing the report: Senator Coghill, Chair; Senators Kelly, Costello, Wielechowski.

Report dated March 5 was read stating:

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

State Assessment Review Board

Bradley Pickett – Palmer

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: Senators Hoffman, MacKinnon, Cochairs; Senators Bishop, Stevens, Olson, Micciche.

SB 148

The Judiciary Committee considered SENATE BILL NO. 148 "An Act relating to powers of the Alaska Police Standards Council; and relating to background checks for admission to police training programs and certification as a police officer." Signing do pass: Senator Coghill, Chair. Signing no recommendation: Senators Wielechowski, Costello, Kelly.

The following previously published fiscal information applies:

Fiscal Note No. 1, zero, Department of Corrections

Fiscal Note No. 2, zero, Department of Public Safety

The bill was referred to the Rules Committee.

Introduction and Reference of Senate Bills

SB 213

SENATE BILL NO. 213 BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR, entitled:

"An Act relating to insurance; relating to credit for reinsurance; insurance standard valuation; and providing for an effective date."

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

The following fiscal information was published today:

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

Governor's transmittal letter dated March 1:

Dear President Kelly:

Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting a bill to bring the insurance code into compliance with model laws adopted by the National Association of Insurance Commissioners (NAIC). These changes will assist the state in maintaining its accredited status with the NAIC and improve uniformity nationwide in the regulation of insurance.

This bill makes changes to the insurance code relating to credit for reinsurance (AS 21.12), and the standard valuation law (AS 21.18). The bill also adds provisions granting the director the authority to adopt regulations under this section, provides a process for the director to certify an insurer as a reinsurer, imposes obligations on a ceding insurer to report to the director when certain levels of reinsurance are exceeded, and allows an assuming insurer that permanently stops underwriting new business to, subject to regulatory approval, reduce the trusted surplus of a trust that secures its business.

The changes relating to credit for reinsurance are in Section 1 of the bill; that section repeals and reenacts AS 21.12.020 relating to credit for reinsurance to conform to the NAIC model law. The changes relating to standard valuation law are in Sections 2 - 11 of the bill. The changes conform to the NAIC Standard Valuation Model Law. These changes are intended to allow life insurers to use "principle-based reserves" instead of the formula-based reserves required under current standard valuation law.

By conforming to the changes to the NAIC model laws, our state's insurance laws will be consistent with national standards that all states are urged to adopt, and Alaska will maintain its accredited status.

I urge your prompt and favorable action on this measure.

Sincerely,

/s/

Bill Walker

Governor

SB 214

SENATE BILL NO. 214 BY THE SENATE RULES COMMITTEE
BY REQUEST OF THE GOVERNOR, entitled:

"An Act authorizing the commissioner of corrections to establish a correctional industries program; establishing a correctional industries board; authorizing the Department of Corrections to receive money from the employment of prisoners; and providing for an effective date."

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

The following fiscal information was published today:

Fiscal Note No. 1, Department of Corrections

Governor's transmittal letter dated March 1:

Dear President Kelly:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill establishing the Correctional Industries Board and authorizing the Commissioner of Corrections to establish a correctional industries program within the department.

With over 90 percent of individuals incarcerated returning to our communities it is important that we enable them to develop the skills necessary to be successful when released. One way to do this is to provide them with real-world job experience.

This bill will create a four-person board comprised of the Commissioner of Corrections, Commissioner of Labor and Workforce Development and two members of a labor organization. The Commissioner will work through the Correctional Industries Board to approve proposed industry programs, employment contracts, and agreements which will allow inmates to produce products or services that can then be sold to public or private entities.

Through these contracts and agreements, inmates will gain real-world experience, be productive with their time, and learn new skills. The public also benefits by being able to purchase quality services and products that may not otherwise be available in the area. Additionally, this legislation has the potential to create new economic growth and expand development opportunities within existing industries.

This bill is another tool in reducing recidivism while providing industry with skilled workers.

I urge your prompt and favorable action on this measure.

Sincerely,
/s/
Bill Walker
Governor

Consideration of the Calendar

Second Reading of Senate Bills

SB 165

SENATE BILL NO. 165 "An Act relating to the Alaska comprehensive health insurance fund; and providing for an effective date" was read the second time.

Senator Micciche 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. 165 was read the third time.

The question being: "Shall SENATE BILL NO. 165 "An Act relating to the Alaska comprehensive health insurance fund; and providing for an effective date" pass the Senate?" The roll was taken with the following result:

SB 165

Third Reading - Final Passage

Effective Dates

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

Yeas: Begich, Bishop, Coghill, Costello, Egan, Gardner, Giessel, Hoffman, Hughes, Kelly, MacKinnon, Meyer, Micciche, Olson, Shower, Stedman, Stevens, Wielechowski, Wilson

Excused: von Imhof

and so, SENATE BILL NO. 165 passed the Senate.

Senator Micciche moved and asked unanimous consent the vote on the passage of the bill be considered the vote on the effective date clauses. Without objection, it was so ordered and the bill was referred to the Secretary for engrossment.

Second Reading of House Bills

HB 298

HOUSE BILL NO. 298 "An Act relating to the number of superior court judges in the first judicial district; and providing for an effective date" was read the second time.

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

HOUSE BILL NO. 298 was read the third time.

The question being: "Shall HOUSE BILL NO. 298 "An Act relating to the number of superior court judges in the first judicial district; and providing for an effective date" pass the Senate?" The roll was taken with the following result:

HB 298

Third Reading - Final Passage

Effective Date

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

Yeas: Begich, Bishop, Coghill, Costello, Egan, Gardner, Giessel, Hoffman, Hughes, Kelly, MacKinnon, Meyer, Micciche, Olson, Shower, Stedman, Stevens, Wielechowski, Wilson

Excused: von Imhof

and so, HOUSE BILL NO. 298 passed the Senate.

Senator Micciche moved and asked unanimous consent the vote on the passage of the bill be considered the vote on the effective date clause. Without objection, it was so ordered and the bill was signed by the President and Secretary and returned to the House.

Citations

Honoring - Virgil Hooe

Representative(s) Millett

Senator(s) Kelly, Begich, Bishop, Coghill, Costello, Egan, Gardner, Giessel, Hoffman, Hughes, MacKinnon, Meyer, Micciche, Olson, Shower, Stedman, Stevens, von Imhof, Wielechowski

Honoring - Alan D. Beacham

Representative(s) Millett

Senator(s) Kelly, Begich, Bishop, Coghill, Costello, Egan, Gardner, Giessel, Hoffman, Hughes, MacKinnon, Meyer, Micciche, Olson, Shower, Stedman, Stevens, von Imhof, Wielechowski

Honoring - Graydon "Skipper" and Mary Anne Cowgill

Representative(s) Knopp

Senator(s) Kelly, Begich, Bishop, Coghill, Costello, Egan, Gardner, Giessel, Hoffman, Hughes, MacKinnon, Meyer, Micciche, Olson, Shower, Stedman, Stevens, von Imhof, Wielechowski

In Memoriam - Randy Bergt

Representative(s) Johnston, Birch

Senator(s) Kelly, Begich, Bishop, Coghill, Costello, Egan, Gardner, Giessel, Hoffman, Hughes, MacKinnon, Meyer, Micciche, Olson, Shower, Stedman, Stevens, von Imhof, Wielechowski, Wilson

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

Unfinished Business

SB 165

Senators Hoffman, Stedman, Micciche, Bishop, Costello, Meyer moved and asked unanimous consent to be shown as cosponsors on SENATE BILL NO. 165 "An Act relating to the Alaska comprehensive health insurance fund; and providing for an effective date." Without objection, it was so ordered.

Senator Wilson moved and asked unanimous consent to be excused from a call of the Senate from evening plane time, March 7 through evening plane time, March 11. Without objection, Senator Wilson was excused.

Senator Shower moved and asked unanimous consent to be excused from a call of the Senate from afternoon plane time, March 7 through evening plane time, March 11. Without objection, Senator Shower was excused.

SB 65

Senator Shower moved and asked unanimous consent that his name be added as prime sponsor on SENATE BILL NO. 65 "An Act establishing the Jonesville Public Use Area." Without objection, it was so ordered.

Announcements

Announcements are at the end of the journal.

Engrossment**SB 165**

SENATE BILL NO. 165 "An Act relating to the Alaska comprehensive health insurance fund; and providing for an effective date" was engrossed, signed by the President and Secretary and transmitted to the House for consideration.

Engrossment and Enrollment**SR 7**

SENATE RESOLUTION NO. 7 Dedicating the fourth floor Senate conference room of the Alaska State Capitol to the late Senate President Jan Faiks, was engrossed and enrolled, signed by the President and Secretary and the engrossed and enrolled copies transmitted to the Office of the Governor at 4:28 p.m., March 1, 2018.

Senate Resolve No. 8

SR 8

SENATE RESOLUTION NO. 8 Proclaiming February 2018 as Black History Month, was engrossed and enrolled, signed by the President and Secretary and the engrossed and enrolled copies transmitted to the Office of the Governor at 4:28 p.m., March 1, 2018.

Senate Resolve No. 9

Adjournment

Senator Micciche moved and asked unanimous consent the Senate stand in adjournment until 11:00 a.m., March 7, 2018. Without objection, the Senate adjourned at 11:25 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

Mar 06	Tuesday No Meeting Scheduled	Beltz 105 (tsbldg)	3:30 PM
Mar 08	Thursday No Meeting Scheduled	Beltz 105 (tsbldg)	3:30 PM

EDUCATION

Mar 05	Monday No Meeting Scheduled	Butrovich 205	8:00 AM
Mar 07	Wednesday	Butrovich 205	8:00 AM
+= SB 185	REEMPLOYMENT OF RETIRED TEACHERS & ADMIN -- Testimony <Invited and Public> -- + Bills Previously Heard/Scheduled **Streamed live on AKL.tv**		
Mar 09	Friday	Butrovich 205	8:00 AM
+ SCR 15	MARCH 27, 2018:AK EDUCATION & SHARING DAY -- Testimony <Invited and Public> -- + Bills Previously Heard/Scheduled **Streamed live on AKL.tv**		

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FINANCE

Mar 05 Monday Senate Finance 532 9:00 AM

- + Consideration of Governor's Appointee
State Assessment Review Board:
Mr. Brad Pickett
- + SB 86 ALASKA RAILROAD CORPORATION LAND
- + Bills Previously Heard/Scheduled

Mar 06 Tuesday Senate Finance 532 9:00 AM

- += SB 155 REAL ESTATE APPRAISAL MNGMT. COMPANIES
- + HB 131 RELOCATION ASSISTANCE FOR FED. PROJ/PROG
- + Bills Previously Heard/Scheduled

Mar 07 Wednesday Senate Finance 532 9:00 AM

- + Consideration of Governor's Appointees
Alaska Mental Health Trust Authority Board of
Trustees:
Mr. Mike Powers
Ms. Verne Boerner
Regulatory Commission of Alaska:
Ms. Janis Wilson
Mr. Paul Lisankie
- + Bills Previously Heard/Scheduled

Mar 08 Thursday Senate Finance 532 9:00 AM

- += HB 321 APPROP: SUPPLEMENTAL OP.; FUND; AMENDING
- += SB 92 VESSELS: REGISTRATION/TITLES; DERELICTS
- + SB 158 OIL/HAZARDOUS SUB.:CLEANUP/REIMBURSEMENT
- + Bills Previously Heard/Scheduled

Mar 09 Friday Senate Finance 532 9:00 AM

- + Bills Previously Heard/Scheduled

HEALTH & SOCIAL SERVICES

Mar 05 Monday Butrovich 205 1:30 PM

- + SB 169 MEDICAID: BEHAVIORAL HEALTH COVERAGE
-- Testimony <Invited and Public> --

HEALTH & SOCIAL SERVICES (continued)

Mar 07	Wednesday	Butrovich 205	1:30 PM
+	Consideration of Governor's Appointees: Mental Health Trust Authority Board of Trustees: Verne Boerner Mike Powers -- Public Testimony on Appointees --		
+	Presentation: DHSS Office of Children's Services Response to the Citizen Review Panel -- Testimony <Invitation Only> --		
+	Bills Previously Heard/Scheduled		
Mar 09	Friday	Butrovich 205	1:30 PM
	No Meeting Scheduled		

JUDICIARY

Mar 05	Monday	Beltz 105 (tsbldg)	1:30 PM
+	Presentation: Village Public Safety Officer Program - Victor Joseph, Chief, Tanana Chiefs Conference - Richard Peterson, Chief, Central Council Tlingit & Haida Indian Tribes of Alaska		
+	Bills Previously Heard/Scheduled		
Mar 07	Wednesday	Beltz 105 (tsbldg)	1:30 PM
+	SB 109	CRIM HIST CHECK: ST EMPLOYEES/CONTRACTORS	
+	SB 124	ABORTION PROCEDURES; CHILD SURRENDER	
+	Bills Previously Heard/Scheduled		
Mar 09	Friday	Beltz 105 (tsbldg)	1:30 PM
+=	SB 124	ABORTION PROCEDURES; CHILD SURRENDER	
+	Bills Previously Heard/Scheduled		

LABOR & COMMERCE

Mar 06	Tuesday	Beltz 105 (tsbldg)	1:30 PM
+	Bills Previously Heard/Scheduled		

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LABOR & COMMERCE (continued)

Mar 08 Thursday Beltz 105 (tsbldg) 1:30 PM
 += HB 157 LIFE & HEALTH INSURANCE GUARANTY ASSN.
 -- Public Testimony --
 + Bills Previously Heard/Scheduled

RESOURCES

Mar 05 Monday Butrovich 205 3:30 PM
 + Presentation:
 Bonding, Idle Wells & Orphan Liability
 - Alaska Oil & Gas Conservation Commission
 - Department of Natural Resources
 -- Testimony <Invitation Only> --
 + Bills Previously Heard/Scheduled

Mar 07 Wednesday Butrovich 205 3:30 PM
 + Consideration of Governor's Appointees
 Big Game Commercial Services Board:
 - Mr. Adam Trombley
 Regulatory Commission of Alaska:
 - Commissioner Janis Wilson
 -- Public Testimony on Appointees --
 + SJR 13 URGING CO-MANAGEMENT PLAN FOR SEA OTTERS
 -- Public Testimony --

Mar 09 Friday Butrovich 205 3:30 PM
 No Meeting Scheduled

STATE AFFAIRS

Mar 06 Tuesday Butrovich 205 3:30 PM
 + SB 196 APPROPRIATION LIMIT
 -- Public Testimony --
 + Bills Previously Heard/Scheduled

Mar 08 Thursday Butrovich 205 3:30 PM
 + SB 186 VOTER REGISTRATION & PFD APP REGISTRATION
 -- Public Testimony --
 + Bills Previously Heard/Scheduled

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TRANSPORTATION

Mar 06 **Tuesday** **Butrovich 205** **1:30 PM**
+ Bills Previously Heard/Scheduled

Mar 08 **Thursday** **Butrovich 205** **1:30 PM**
+ Bills Previously Heard/Scheduled

FINANCE SUBCOMMITTEES

FISH & GAME

Mar 13 **Tuesday** **Beltz 105 (tsbldg)** **8:00 AM**
 Close-Out

HEALTH & SOCIAL SERVICES

Mar 06 **Tuesday** **Butrovich 205** **5:15 PM**
+ Office of Children's Services, Juvenile Justice
 -- Testimony <Invitation Only> --

Mar 08 **Thursday** **Butrovich 205** **5:15 PM**
+ Pioneer Homes, Seniors and Disabilities Service
 -- Testimony <Invitation Only> --

Mar 13 **Tuesday** **Butrovich 205** **5:15 PM**
+ Closeout
 -- Testimony <Invitation Only> --

LABOR & WORKFORCE DEVELOPMENT

Mar 06 **Tuesday** **Butrovich 205** **11:00 AM**
+ Budget Subcommittee Close-Out

Mar 13 **Tuesday** **Butrovich 205** **11:00 AM**
+ Budget Subcommittee Close-Out, if Necessary

FINANCE SUBCOMMITTEES (continued)

NATURAL RESOURCES

- | | | | |
|---------------|--|----------------------|-----------------|
| Mar 08 | Thursday | Butrovich 205 | 12:00 PM |
| | -- Agenda Change -- | | |
| + | Budget Subcommittee Close-Out | | |
| | <Above Item Rescheduled to 3/13/18> | | |
| | <New Item Added Below> | | |
| + | Committee Questions | | |
| | | | |
| Mar 13 | Tuesday | Butrovich 205 | 12:00 PM |
| | -- Rescheduled from 03/08/18 -- | | |
| + | Budget Subcommittee Close-Out | | |
| | | | |
| Mar 15 | Thursday | Butrovich 205 | 12:00 PM |
| + | Budget Subcommittee Close-Out, if Needed | | |

TRANSPORTATION & PUBLIC FACILITIES

- | | | | |
|---------------|---|----------------------|-----------------|
| Mar 06 | Tuesday | Butrovich 205 | 12:00 PM |
| | -- Agenda Change -- | | |
| + | Alaska Marine Highway System | | |
| | Committee Questions | | |
| | <Above Items Rescheduled to 03/08/18> | | |
| | <New Items Added Below> | | |
| + | Brief Agency Overview | | |
| | Highlights of Major Budget Changes | | |
| | House Changes | | |
| | | | |
| Mar 08 | Thursday | Butrovich 205 | 11:00 AM |
| | -- Agenda Change -- | | |
| + | Budget Subcommittee Close-Out | | |
| | <Above Item Rescheduled to 03/15/18> | | |
| | <Below Items Rescheduled from 03/06/18> | | |
| + | Alaska Marine Highway System | | |
| | Committee Questions | | |
| | | | |
| Mar 15 | Thursday | Butrovich 205 | 11:00 AM |
| | -- Rescheduled from 03/08/18 -- | | |
| + | Budget Subcommittee Close-Out | | |

JOINT COMMITTEES

LEGISLATIVE BUDGET & AUDIT

Mar 06 **Tuesday** **Adams Room 519** **8:00 AM**
 + EXECUTIVE SESSION - Procurement
 a. IRIS & ADLER IT Audit Expertise
 b. Amendments to Consultant Contracts
 Other Committee Business

SELECT COMMITTEE ON LEGISLATIVE ETHICS

Mar 08 **Thursday** **Capitol 106** **9:30 AM**
 + Senate Subcommittee
 Public Comment
 EXECUTIVE SESSION
 Public Session

Mar 08 **Thursday** **Capitol 106** **10:30 AM**
 + Approval of January Minutes
 Public Comment
 Chair/Staff Report
 a. Outside Counsel Contract
 b. Private Investigator Contract
 c. Personnel
 EXECUTIVE SESSION
 Public Session
 Other Business

OTHER MEETINGS

MISCELLANEOUS MEETINGS

Mar 08 **Thursday** **Capitol 106** **12:00 PM**
 Lunch & Learn:
 Ethics in Action in the Alaska Legislature
 Presenter:
 Dr. Charla Brown, Assistant Professor of Human
 Resource Management, University of Alaska Southeast
 Sponsored by Representative Kito