

**MINUTES**  
**SENATE FINANCE COMMITTEE**  
**March 27, 2007**  
**9:02 a.m.**

**CALL TO ORDER**

Co-Chair Lyman Hoffman convened the meeting at approximately [9:02:01 AM](#).

**PRESENT**

Senator Lyman Hoffman, Co-Chair  
Senator Bert Stedman, Co-Chair  
Senator Charlie Huggins, Vice Chair  
Senator Kim Elton  
Senator Joe Thomas  
Senator Fred Dyson  
Senator Donny Olson

**Also Attending:** REPRESENTATIVE KURT OLSON; RICHARD BENAVIDES, Staff to Senator Bettye Davis; PAT DAVIDSON, Director, Division of Legislative Audit; RICK URION, Director, Division of Corporations, Business, and Professional Licensing, Department of Commerce, Community and Economic Development; ELEANOR WOLFE, Staff to Representative Kurt Olson

**Attending via Teleconference:** There were no teleconference participants.

**SUMMARY INFORMATION**

SB 85-EXTEND STATE MEDICAL BOARD

The Committee heard from the sponsor, the Division of Legislative Audit and the Department of Commerce, Community and Economic Development. The bill was reported from Committee.

HB 108-BOARD OF MARINE PILOTS

The Committee heard from the sponsor and the Department of Commerce, Community and Economic Development. The bill was reported from Committee.

#SB85

[9:02:40 AM](#)

SENATE BILL NO. 85

"An Act extending the termination date for the State Medical Board; and providing for an effective date."

This was the first hearing for this bill in the Senate Finance Committee.

Co-Chair Stedman announced intent to report this bill from Committee unless concerns were identified.

AT EASE [9:02:59 AM](#) / [9:03:06 AM](#)

[9:03:28 AM](#)

RICHARD BENAVIDES, Staff to Senator Bettye Davis, sponsor of the bill, testified reading the sponsor statement into the record as follows.

Senate Bill 85 extends the sunset date of the State Medical Board until June 30, 2013, in accordance with the recommendations of the Legislative Auditor. The legislative auditor has concluded that the State Medical Board meets the statutory requirements of public need and should continue to regulate the occupations under its purview.

The board consists of five licensed physicians, one licensed physician assistant, and two persons with no direct financial interests in the healthcare industry. The board serves the public interest by establishing the minimum education and work experience requirements that individuals must meet to become licenses physicians, osteopaths, podiatrists, paramedics, and physician assistants. The board further serves the public interest by investigating complaints against licensed professionals and taking disciplinary licensing action when appropriate.

The board has consistently proven to be efficient, therefore I recommend that the State Medical Board be extended to June 30, 2013, and ask for your support in passage of this bill.

[9:05:08 AM](#)

Co-Chair Stedman directed attention to an updated fiscal note prepared by the Senate Finance Committee. The original fiscal note incorrectly included an estimate of \$846,000 as expenditures for FY 07. This legislation would have no impact on the current year budget.

[9:05:48 AM](#)

Senator Dyson inquired about the auditor recommendation that the State Medical Board update certain regulations.

[9:06:15 AM](#)

PAT DAVIDSON, Director, Division of Legislative Audit, testified that other than the Board's response to the preliminary audit report recommendations that the Board was willing to making the regulatory changes, she was unaware of whether the changes had been made.

Co-Chair Stedman requested a response from the Board as to the status of the regulatory changes.

[9:07:04 AM](#)

RICK URION, Director, Division of Corporations, Business, and Professional Licensing, Department of Commerce, Community and Economic Development, testified in support of this legislation. He informed that the Board had taken necessary action in amending regulations.

[9:07:36 AM](#)

Senator Dyson asked the estimated date that the new regulations would be in effect.

[9:07:41 AM](#)

Mr. Urion responded that the proposed regulations were currently before the Department of Law for review.

[9:07:51 AM](#)

Co-Chair Stedman ascertained that no further testimony was forthcoming and that Members had no additional comments or questions.

[9:08:15 AM](#)

Co-Chair Hoffman offered a motion to report the bill, 24-LS0584\A, from Committee with individual recommendations and updated fiscal note.

Without objection SB 85 was REPORTED FROM COMMITTEE with a new fiscal note dated 3/27/07 from the Senate Finance Committee.

AT EASE [9:09:01 AM](#) / [9:09:24 AM](#)  
#HB108

[9:09:36 AM](#)

CS FOR HOUSE BILL NO. 108(L&C)  
"An Act extending the termination date for the Board of Marine Pilots; and providing for an effective date."

This was the first hearing for this bill in the Senate Finance Committee.

Co-Chair Stedman announced his intent to report this bill from Committee at this hearing unless concerns were raised to warrant additional consideration.

REPRESENTATIVE KURT OLSON, Chair, House Labor and Commerce Committee, sponsor of this legislation, testified that this bill would extend the term of the Board of Marine Pilots to June 30, 2013.

[9:10:44 AM](#)

ELEANOR WOLFE, Staff to Representative Kurt Olson, informed of those present to respond to questions.

[9:11:14 AM](#)

RICK URION, Director, Division of Corporations, Business, and Professional Licensing, Department of Commerce, Community and

Economic Development, encouraged passage of this bill. The Board had completed its audit process. Recommendations made in the audit report regarding corrections to drug testing procedures had been implemented.

[9:11:57 AM](#)

Senator Dyson noticed the audit recommended that the Legislature should consider "clarifying statutes" pertaining to drug testing. He asked what measures had been taken to accomplish this.

[9:12:28 AM](#)

Mr. Urion explained that questions were raised about whether "enough people were being tested". Corrections had been made to ensure that the "appropriate number of people" would be tested.

Senator Dyson understood the recommendation to extend the mandatory drug testing to include trainees and apprentices and asked if statutory changes had been considered.

[9:13:17 AM](#)

Mr. Urion responded that these members had been added "in the mix" to receive random drug testing. He was unsure whether statutory changes would be necessary.

[9:13:27 AM](#)

Senator Dyson next asked about the audit recommendation concerning investigative functions, which were not occurring during long absences of investigative personnel. Some accidents were not investigated until six months after occurring.

[9:13:48 AM](#)

Mr. Urion knew of one such incident. A change in staffing was deemed to be the cause. A vacancy occurred and when filled, the new investigator was unaware that the case had existed. No harm resulted from this delay.

[9:14:24 AM](#)

Senator Dyson asked if such vacancy occurred in the future if action was taken to ensure that the duties would be delegated to another position.

Mr. Urion assured that the current chief investigator was better apprised of the cases.

[9:14:54 AM](#)

Senator Olson assumed that the drug tests were administered to a "random consortium".

Mr. Urion affirmed.

[9:15:04 AM](#)

Senator Olson asked how often a member was tested and whether the tests were of urine or blood.

Mr. Urion was unsure of the details of the testing procedures.

[9:15:18 AM](#)

Senator Olson asked if this applies to all marine pilots including those employed by the Alaska Marine Highway System.

Mr. Urion replied marine pilots employed by the State were not included. This Board governs those marine pilots affiliated with private enterprise.

[9:15:32 AM](#)

Senator Olson asked the number of violations and the disciplinary actions taken in the past year.

[9:15:44 AM](#)

Mr. Urion told of one case that had been ongoing. Otherwise he estimated the number of cases to be three.

[9:16:20 AM](#)

Co-Chair Stedman commented that the fiscal note appeared in order.

[9:16:28 AM](#)

Co-Chair Hoffman offered a motion to report the bill, 24-LS0445\C, from Committee with individual recommendations and accompanying fiscal note.

There was no objection and CS HB 108(L&C) was REPORTED FROM COMMITTEE, with fiscal note #2 from the Department of Commerce, Community and Economic Development.

[9:16:59 AM](#)

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**ADJOURNMENT**

Co-Chair Lyman Hoffman adjourned the meeting at [9:18:06 AM](#)