

SENATE FINANCE COMMITTEE
April 7, 2008
9:17 a.m.

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at [9:17:40 AM](#).

MEMBERS PRESENT

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

MEMBERS ABSENT

None

ALSO PRESENT

Jeff Jesse, Executive Director, Alaska Mental Health Trust Authority, Department of Revenue; Jane Pierson, Staff, Representative Jay Ramras; Representative Jay Ramras; Tom Wright, Staff, Representative Mike Chenault; Mark Romick, Alaska Housing Finance Corporation, Department of Revenue; Tom Wright, Staff, Representative Mike Chenault; Remond Henderson, Deputy Director, Division of General Services, Department of Administration

PRESENT VIA TELECONFERENCE

Pat Luby, Advocacy Director, Alaska Association of Retired Persons (AARP), Anchorage; Pete Higgins, President, Alaska Dental Society; Royann Royer, Chugiak; Gail Walden, Dental Hygienist, Wasilla; David Logan, Dentist, Legislative Chair, Alaska Dental Society; Jim Lynch, Associate Vice President of Finance, University of Alaska; Mark Romick, Director, Planning Department, Alaska Housing Finance Corporation, Department of Revenue

SUMMARY

SB 231 "An Act relating to the Alaska housing trust fund and to the Alaska Council on the Homeless; and providing for an effective date."

CSSB 321 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with three previous published zero fiscal notes by the Department of

Public Safety, the Department of Health and Social Services, and the Department of Corrections, and with a new fiscal note by the Department of Revenue.

CSHB 419(FIN)

"An Act relating to state lease-purchases of equipment and other personal property; and providing for an effective date."

CSHB 419(FIN) was heard and HELD in Committee for further consideration.

CSHB 319(L&C)

"An Act relating to the practice of dentistry, to dental assistants, and to dental hygienists."

SCS CSHB 319(HES) was REPORTED out of Committee with a "do pass" recommendation and with indeterminate fiscal note #2 by the Department of Commerce, Community and Economic Development.

[9:17:59 AM](#)

SENATE BILL NO. 231

"An Act relating to the Alaska housing trust fund and to the Alaska Council on the Homeless; and providing for an effective date."

JEFF JESSE, EXECUTIVE DIRECTOR, ALASKA MENTAL HEALTH TRUST AUTHORITY, DEPARTMENT OF REVENUE, acknowledged the issues raised by the Committee in previous meetings regarding this bill.

Co-Chair Stedman noted an email from Mark Romick, AHFC, (copy on file), which answers some of the Committee's concerns. He reported on a \$10 million capital expenditure from the Department of Revenue for this legislation. The appropriation is in SB 221. \$2.5 million comes from each of four sources: general fund, AHFC, Mental Health Trust Authority, and private sources. He requested to know the position of the Mental Health Trust Board.

Mr. Jesse reported that the trustees have worked diligently on low-income housing issues for a number of years. They have invested \$3 million to \$4 million over the last few years. The Mental Health Trust recognizes a concern that it needs to provide more on-going support for projects. He stated that the Trust is willing to commit to this project for at least five years at the \$2.5 million level per year. To date, that is the largest commitment the Mental Health Trust has made.

[9:22:24 AM](#)

PAT LUBY, ADVOCACY DIRECTOR, ALASKA ASSOCIATION OF RETIRED PERSONS (AARP), ANCHORAGE, testified in support of SB 231. He disavowed the stereotype of homeless people. He reported that AARP has tracked the number of grandparents raising grandchildren in Alaska and the corresponding financial ramifications. He discussed the circumstances faced by homeless children.

[9:24:05 AM](#)

Co-Chair Hoffman MOVED to REPORT CSSB 231(FIN) out of Committee with individual recommendations and the accompanying fiscal notes. There being NO OBJECTION, it was so ordered.

CSSB 321 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with three previous published zero fiscal notes by the Department of Public Safety, the Department of Health and Social Services, and the Department of Corrections, and with a new fiscal note by the Department of Revenue.

[9:25:34 AM](#)

CS FOR HOUSE BILL NO. 319(L&C)

"An Act relating to the practice of dentistry, to dental assistants, and to dental hygienists."

REPRESENTATIVE JAY RAMRAS, Sponsor, explained that HB 319 continues the responsible exporting of dentistry across Alaska, particularly in the rural areas. Oral hygiene is critical and contributes to the health and nutritional benefits of an individual.

JANE PIERSON, STAFF, REPRESENTATIVE JAY RAMRAS, related the details of the bill:

- Oral health plays a key role in overall health. Unfortunately not all Alaskan's enjoy good dental health due to geographical barriers, cost of dental care and limitations on dental personnel.
- HB 319 follows the provisions allowing for expanded duties of dental hygienist and dental assistants improving access to dental care and reducing costs for dental care.
- With expanded duties, dental hygienist, dental assistants and dentists can provide greater access and more costs effective care.

- This bill specifically lays the framework for expanding dental assistant's duties for two specific procedures. It would allow a certified dental assistant, under a dentist's direct supervision to place fillings into a cavity prepared by a licensed dentist. And allows a certified dental assistant, under a dentist's direct supervision, to polish teeth that are already clean of tarter. These expanded duties are already permitted in 36 other states.
- Includes under a dental hygienists' scope of practice the ability to obtain a restorative function endorsement permitting placement of a filling into a cavity prepared by a licensed dentist and perform the activities authorized under a collaborative agreement with licensed dentist.
- Authorizes a licensed dental hygienist to administer local anesthetic agents under the general supervision of a licensed dentist. Sixteen other states have variations of these provisions in place.
- Authorizes the Dental Board to approve a collaborative agreement between a licensed dentist and a licensed dental hygienist and specifies the services and procedures allowed under a collaborative agreement.
- Applies supervision requirements to a dental hygienist operation in conjunction with a licensed dentist under a collaborative agreement.
- Dental assistants who perform expanded duties of packing cavities or polishing teeth will have to pass a training program and an exam prior to becoming eligible for certification by the Alaska Dental Board. Furthermore, the supervising dentist must personally authorize the procedure and examine the patient afterwards.
- This bill is supported by the Alaska Dental Society, Alaska Board of Dental Examiners, Alaska State Dental Hygienist Association, Alaska Dental Outreach Consortium and the Alaska Native Tribal Health Consortium.
- Oral health plays a key role in overall health. Untreated dental problems can cause pain, effect nutrition, and influence quality of life. This bill will increase the efficiency of delivering dental while upholding the quality of that care.

[9:29:40 AM](#)

Co-Chair Stedman summarized that the bill would improve the lack of dental services in rural areas. Ms. Pierson said it would have a positive effect in both rural and urban Alaska because it would expand the practices done by both assistants and hygienists. Co-Chair Stedman asked if any groups oppose the bill. Ms. Pierson said none that she knew of.

Senator Thomas praised the combining of two bills into one and suggested that the bill would also provide a career track for dental assistants. He reported that there was not opposition to the bill in previous committees.

Senator Huggins pointed out that the bill talks about "direct supervision" and "indirect supervision", but not about "general supervision". Ms. Pierson explained that general supervision would be supervision where a dentist would not have to be present to directly oversee the procedure.

[9:31:20 AM](#)

Senator Olson asked how many dental hygienists there are in rural Alaska. Ms. Pierson deferred to the Alaska Dental Society to answer. Co-Chair Stedman said he had a list that shows that information.

Senator Olson questioned if "direct supervision" means that the dentist is present and supervising injections. Ms. Pierson said that is correct. Senator Olson asked if there had been any problems with local anesthesia in the past. Ms. Pierson deferred to others to answer.

[9:33:11 AM](#)

PETE HIGGINS, PRESIDENT, ALASKA DENTAL SOCIETY, testified in support of HB 319. He pointed out that the legislation would help dentists in urban areas take on more Medicaid patients. He addressed the question about hygienists administering anesthetics. He said they are currently able to if they pass the test, but dental assistants would not be able to. The purpose of the bill is to ensure that more patients receive dental services. Other states already have this in place.

[9:35:26 AM](#)

ROYANN ROYER, CHUGIAK, testified in support of HB 319. She listed her vast experience in the dental field. She advocated for the legislation based on personal experience delivering dental care in rural areas. She maintained that

the legislation would lead to more people being treated. She noted this service is practiced in many other states.

[9:37:28 AM](#)

GAIL WALDEN, DENTAL HYGIENIST, WASILLA, testified in support of HB 319. She pointed out that hygienists have been administering anesthesia in Alaska since 1981. She reported that there have never been any disciplinary actions against the hygienists.

[9:39:06 AM](#)

DAVID LOGAN, DENTIST, LEGISLATIVE CHAIR, ALASKA DENTAL SOCIETY, spoke in support of HB 319. It will help provide more services in rural and underserved areas of Alaska. He clarified the three different types of supervision. "Direct" means that the dentist is in the facility and sees the patient before and after the procedure. "Indirect" means the dentist has seen the patient before the procedure, but does not necessarily see them afterwards. "General" means that dentist has diagnosed the condition and is not in the facility at the time.

Co-Chair Stedman noted one fiscal note by the Department of Commerce, Community and Economic Development.

Representative Ramras reported that the intent of the bill is to do no harm. The work would be done under appropriate supervision.

Senator Olson MOVED to REPORT SCS CSHB 319(HES) out of Committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

SCS CSHB 319(HES) was REPORTED out of Committee with a "do pass" recommendation and with indeterminate fiscal note #2 by the Department of Commerce, Community and Economic Development.

[9:42:41 AM](#)

CS FOR HOUSE BILL NO. 419(FIN)

"An Act relating to state lease-purchases of equipment and other personal property; and providing for an effective date."

Senator Huggins MOVED to ADOPT SCS CSHB 419(FIN), labeled 25-LS1567\0, Cook, 4/3/08.

Senator Dyson OBJECTED. He requested an explanation of the changes in the new CS.

[9:43:48 AM](#)

TOM WRIGHT, STAFF, REPRESENTATIVE MIKE CHENAULT, explained that the new CS is the bill that was originally introduced in House Finance. It does not allow any agency to do state lease purchases.

Senator Dyson WITHDREW his OBJECTION. There being NO OBJECTION, it was so ordered.

Mr. Wright explained that there were concerns about the usage of the master lease line of credit. One of the items used for lease purchase was Governor Murkowski's jet. There have been 29 separate lease purchases. The legislature last year authorized \$16 million for the master lease line of credit. This was problematic because there was no fund source for it. There were a number of items that avoided the appropriation process.

Mr. Wright related that the other concern was that some payments were not showing up in the detail book. There was lack of information about the source of funding and who controlled the dollar amounts. The original intent of the bill was to stop the master lease line of credit.

Co-Chair Stedman suggested that Mr. Wright provide more information.

Mr. Wright reiterated that the bill does apply to all lease purchase agreements. One of the problems was that AS 36.30.085 was too broad and lacked a definition of what a lease purchase agreement was or how the departments were to use it. There were only four agencies that were entitled to use it. A 1987 Attorney General's opinion opened the door to departmental abuse due to the broadness of the statute.

Mr. Wright reported that one of the goals of the bill is to have a reporting mechanism regarding lease purchases. Any agency that enters into a lease purchase contract over \$100,000 must provide written notice within 10 days to the House and Senate presiding officers and the Finance Committee chairs. It also requires OMB to compile a list of every lease purchase item a department enters into. This information would be used when drafting the operating budget.

[9:49:47 AM](#)

Senator Dyson termed the bill draconian. He asked which organizations would be included. Mr. Wright said the organizations could still lease equipment, but they cannot enter into a lease purchase agreement. Senator Dyson asked if the problems occur when the leases end up as purchases.

Mr. Wright said that was correct. The biggest objection the House Finance Committee had was the lack of limitations with the use of the master lease line of credit.

Senator Dyson summarized that the intent of the bill is to prevent departments from purchasing equipment through the subterfuge of a lease purchase and bypassing the budgeting process. Mr. Wright said that was correct.

Co-Chair Stedman noted that there was language in the capital budget to deal with this issue. It was decided to follow the House's lead on this matter.

[9:52:56 AM](#)

Senator Thomas asked for clarification of the departments' responsibility regarding leases. Mr. Wright said that under the CS there would be no lease purchase agreements. Mr. Wright clarified that one could not enter into a lease of personal property. It does not apply to real property.

Co-Chair Stedman asked who controls the dollar amount available. Mr. Wright reiterated that there is no dollar amount listed under the master lease line of credit. Co-Chair Stedman inquired how the payments show up in the budgets that are presented. Mr. Wright said that was one of the questions that the House Finance Committee had. Some agencies do report in the detail books and some don't. Co-Chair Stedman thought that would create concern. Mr. Wright agreed.

[9:55:04 AM](#)

Senator Dyson requested an example about how the building improvements were abused. Mr. Wright did not know if that had happened. He gave an example of a purchase for carpeting for the State Office Building.

Senator Dyson noted that the agencies may be using the process to subvert the capital projects process. He gave an example. He agreed with the intent of the bill, but emphasized that the legislature must be responsible in providing needed equipment.

[9:57:57 AM](#)

Co-Chair Stedman said when looking back at this year's capital budget, the Administration reduced departmental requests by \$1 billion before the Committee received it. The Senate Finance Committee reduced the legislators' requests by about \$1.1 billion.

[9:58:14 AM](#)

JIM LYNCH, ASSOCIATE VICE PRESIDENT OF FINANCE, UNIVERSITY OF ALASKA, voiced concern about the lack of a floor when reporting to the Office of Management and Budget. He spoke in favor of the accountability aspect of the bill and against removing the ability to lease purchase.

[10:01:53 AM](#)

REMOND HENDERSON, DEPUTY DIRECTOR, DIVISION OF GENERAL SERVICES, DEPARTMENT OF ADMINISTRATION, commented that if the CS prohibits the leasing of equipment or other personal property when necessary, the Department of Administration objects to the bill. He spoke in favor of the bill version which was amended in the House and contains reporting requirements.

Co-Chair Stedman noted two zero fiscal notes.

HB 419 was heard and HELD in Committee for further consideration.

ADJOURNMENT

The meeting was adjourned at 10:03 AM.