

ALASKA STATE LEGISLATURE
HOUSE STATE AFFAIRS STANDING COMMITTEE

April 1, 2010

8:07 a.m.

MEMBERS PRESENT

Representative Bob Lynn, Chair
Representative Paul Seaton, Vice Chair
Representative Carl Gatto
Representative Craig Johnson
Representative Peggy Wilson
Representative Max Gruenberg
Representative Pete Petersen

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE CONCURRENT RESOLUTION NO. 14
Recognizing October 2010 as Filipino American History Month.

- MOVED OUT OF COMMITTEE

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 261(L&C)
"An Act relating to the membership of the Alcoholic Beverage Control Board; and providing for an effective date."

- HEARD & HELD

SENATE BILL NO. 215
"An Act requiring the Department of Health and Social Services to accept federal prescription drug benefits or to provide comparable benefits for residents of the Alaska Pioneers' Home."

- MOVED OUT OF COMMITTEE

SENATE BILL NO. 244
"An Act adjusting the established geographic differentials in pay that apply to certain employees in state service who are not covered by collective bargaining agreements; requiring the director of the division of personnel to establish geographic pay differentials for positions located outside the state; and providing for an effective date."

- SCHEDULED BUT NOT HEARD

HOUSE BILL NO. 420

"An Act adjusting the established geographic differentials in pay that apply to certain employees in state service who are not covered by collective bargaining agreements; requiring the director of the division of personnel to establish geographic pay differentials for positions located outside the state; and providing for an effective date."

- BILL HEARING CANCELED

PREVIOUS COMMITTEE ACTION

BILL: SCR 14

SHORT TITLE: FILIPINO AMERICAN HISTORY MONTH

SPONSOR(s): SENATOR(s) EGAN

02/24/10	(S)	READ THE FIRST TIME - REFERRALS
02/24/10	(S)	STA
03/16/10	(S)	STA RPT 4DP
03/16/10	(S)	DP: MENARD, FRENCH, MEYER, PASKVAN
03/16/10	(S)	STA AT 9:00 AM BELTZ 105 (TSBldg)
03/16/10	(S)	Moved SCR 14 Out of Committee
03/16/10	(S)	MINUTE(STA)
03/18/10	(S)	BEFORE THE SENATE ON FINAL PASSAGE
03/18/10	(S)	TRANSMITTED TO (H)
03/18/10	(S)	VERSION: SCR 14
03/19/10	(H)	READ THE FIRST TIME - REFERRALS
03/19/10	(H)	STA
04/01/10	(H)	STA AT 8:00 AM CAPITOL 106

BILL: SB 261

SHORT TITLE: ALCOHOLIC BEVERAGE CONTROL BD MEMBERS

SPONSOR(s): SENATOR(s) OLSON

02/05/10	(S)	READ THE FIRST TIME - REFERRALS
02/05/10	(S)	STA, L&C
02/18/10	(S)	STA RPT 4DP
02/18/10	(S)	DP: MENARD, FRENCH, MEYER, KOOKESH
02/18/10	(S)	STA AT 9:00 AM BELTZ 105 (TSBldg)
02/18/10	(S)	Moved SB 261 Out of Committee
02/18/10	(S)	MINUTE(STA)
03/16/10	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
03/16/10	(S)	Moved CSSB 261(L&C) Out of Committee
03/16/10	(S)	MINUTE(L&C)
03/17/10	(S)	L&C RPT CS 3DP 1DNP SAME TITLE

03/17/10 (S) DP: PASKVAN, MEYER, DAVIS
 03/17/10 (S) DNP: BUNDE
 03/23/10 (S) TRANSMITTED TO (H)
 03/23/10 (S) VERSION: CSSB 261(L&C)
 03/24/10 (H) READ THE FIRST TIME - REFERRALS
 03/24/10 (H) STA
 04/01/10 (H) STA AT 8:00 AM CAPITOL 106

BILL: SB 215

SHORT TITLE: PIONEERS HOME RX DRUG BENEFIT

SPONSOR(S): SENATOR(S) WIELECHOWSKI, OLSON, KOOKESH, ELLIS,
 DAVIS

01/19/10 (S) PREFILE RELEASED 1/15/10
 01/19/10 (S) READ THE FIRST TIME - REFERRALS
 01/19/10 (S) HSS, FIN
 02/08/10 (S) HSS AT 1:30 PM BUTROVICH 205
 02/08/10 (S) Moved SB 215 Out of Committee
 02/08/10 (S) MINUTE(HSS)
 02/10/10 (S) HSS RPT 5DP
 02/10/10 (S) DP: DAVIS, THOMAS, ELLIS, PASKVAN,
 DYSON
 03/15/10 (S) FIN AT 9:00 AM SENATE FINANCE 532
 03/15/10 (S) Heard & Held
 03/15/10 (S) MINUTE(FIN)
 03/22/10 (S) FIN RPT 2DP 3NR
 03/22/10 (S) DP: HOFFMAN, EGAN
 03/22/10 (S) NR: STEDMAN, OLSON, HUGGINS
 03/22/10 (S) FIN AT 9:00 AM SENATE FINANCE 532
 03/22/10 (S) Moved SB 215 Out of Committee
 03/22/10 (S) MINUTE(FIN)
 03/23/10 (S) OLSON CORRECTED FIN REPORT VOTE NR TO
 DP
 03/23/10 (S) TRANSMITTED TO (H)
 03/23/10 (S) VERSION: SB 215
 03/24/10 (H) READ THE FIRST TIME - REFERRALS
 03/24/10 (H) STA
 04/01/10 (H) STA AT 8:00 AM CAPITOL 106

WITNESS REGISTER

SENATOR DENNIS EGAN
 Alaska State Legislature
 Juneau, Alaska

POSITION STATEMENT: Presented SCR 14 as sponsor.

ELLERY LUMBAB

Juneau, Alaska

POSITION STATEMENT: Testified on behalf of the Filipino Community, Inc., in support of SCR 14.

RAPHAEL CASTANOS

Juneau, Alaska

POSITION STATEMENT: Testified on behalf of the Filipino Community, Inc., in support of SCR 14.

ARLENE LUMBAB

Juneau, Alaska

POSITION STATEMENT: Testified on behalf of the Filipino Community, Inc., in support of SCR 14.

ED CARRILLO, Vice President

Filipino Community, Inc.

Juneau, Alaska

POSITION STATEMENT: Testified on behalf of the Filipino Community, Inc., in support of SCR 14.

MARIO LIM

Juneau, Alaska

POSITION STATEMENT: Testified in support of SCR 14.

SENATOR DONNY OLSON

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Introduced SB 261 as sponsor.

TIM BENINTENDI, Staff

Senator Donny Olson

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Offered information and answered questions regarding SB 261, on behalf of Representative Olson, sponsor.

DALE FOX, President/CEO

Alaska Cabaret Hotel Restaurant & Retailer's Association (Alaska CHARR)

Anchorage, Alaska

POSITION STATEMENT: Testified in opposition to SB 261.

BRIDIE TRAINOR, Director

Bering Strait Suicide Prevention Program

Kawerak, Inc.

Nome, Alaska

POSITION STATEMENT: Testified in support of SB 261.

SHIRLEY GIFFORD, Director
Alcohol Beverage Control Board
Department of Public Safety
Anchorage, Alaska

POSITION STATEMENT: Testified and answered questions during the hearing on SB 261.

SENATOR WIELECHOWSKI
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented SB 215 as co-prime sponsor.

VERDIE BOWEN, Director
Office of Veteran Affairs, Department of Military & Veterans'
Affairs (DMVA)
Fort Richardson, Alaska

POSITION STATEMENT: Testified in support of SB 215.

DAVE COTE, Director
Central Office
Division of Alaska Pioneer Homes
Department of Health & Social Services

POSITION STATEMENT: Testified during the hearing on SB 215.

ACTION NARRATIVE

[8:07:36 AM](#)

CHAIR BOB LYNN called the House State Affairs Standing Committee meeting to order at 8:07 a.m. Representatives Seaton, Gatto, Wilson, Petersen, and Lynn were present at the call to order. Representatives Johnson and Gruenberg arrived as the meeting was in progress.

SCR 14-FILIPINO AMERICAN HISTORY MONTH

[8:08:12 AM](#)

CHAIR LYNN announced that the first order of business was SENATE CONCURRENT RESOLUTION NO. 14, Recognizing October 2010 as Filipino American History Month.

[8:08:46 AM](#)

SENATOR DENNIS EGAN, Alaska State Legislature, as sponsor, stated that SCR 14 would dedicate October 2010 as Filipino

American History Month. He said Filipinos have a rich history and culture in Alaska. The first Filipino legislator in the nation - Thelma Buchholdt - served in the Alaska State Legislature from 1974-1982. Senator Dennis Egan said Juneau, and many other communities in the state, have been rewarded by "the rich heritage and civic involvement" of Filipino Americans. He said he considers the loud, rhythmic drumming and bright costumes of the Filipino Community's annual Fourth of July parade entry a highlight. Senator Egan encouraged all Alaskans to celebrate and honor the history of the Filipino Community in their communities this October, and encouraged the committee to support SCR 14. In response to Representative Gatto, he confirmed that the proposed concurrent resolution would pertain only to October 2010.

[8:12:27 AM](#)

ELLERY LUMBAB, testifying on behalf of the Filipino Community, Inc., in support of SCR 14, told the committee that he is originally from Catbalogan, Samar, Philippines. He related that his father fought with American soldiers against the Japanese during World War II. Mr. Lumbab said his family is comprised of his mother and father, 15 children, their spouses, and 62 grandchildren.

MR. LUMBAB related that he is the artistic director of the Alitaptap Philippine Folkloric Group of the Filipino Community, Inc., in Juneau. He indicated that it is the intent of the group to bring cultural awareness to the new generation of Filipino Americans through unique and diverse Filipino art, music, and dance. He emphasized the importance of preserving the culture.

MR. LUMBAB reported that the earliest documented proof of Filipino presence in Alaska is 1788, and since that time, Filipinos have helped to build Alaska's economy, for example, working in fish canneries, in gold mines, in the retail and restaurant industries, and as teachers, bankers, doctors, and nurses. He urged the committee to support SCR 14.

[8:15:21 AM](#)

MR. LUMBAB, in response to Chair Lynn, said the statue in Manila Square, in Juneau, is of Dr. Jose Rizal, a hero who fought against Spaniard oppression on behalf of those in the Philippines. In response to a follow-up question, he said Manila Square has existed since [2002].

8:16:03 AM

MR. LUMBAB, in response to Representative Gatto and Chair Lynn, offered the pronunciation of "Alaskeros" - on page 1, line 9, of SCR 14. He explained that the Filipino language is Tagalog, and 60 percent of the language is derived from Spanish root words.

8:17:19 AM

RAPHAEL CASTANOS, testifying on behalf of the Filipino Community, Inc., in support of SCR 14, offered a brief personal history. He said he moved to America in 1991. He related that he took part in the Philippine revolution of 1986, when President Marcos was "kicked out." He said former President Marcos had been his fraternity brother in university. He said a month ago he read in Filipinos Magazine that the U.S. Congress approved a joint resolution declaring October Filipino-American History Month, which gave him the idea to approach the Alaska State Legislature to recognize the event. He said he worked on the Manila Square project, which took eight months. He indicated that recognition of Filipinos does not exist in other parts of the United States.

8:19:51 AM

MR. CASTANOS said if SCR 14 is signed into law, Alaska will be only the second state in the Union to have such a resolution. He related that U.S. Congress expected that more states would follow suit. In response to Chair Lynn, he said California was the first state to adopt similar legislation. He said he is anticipating a resolution by the City & Borough of Juneau recognizing October as Filipino-American History month.

8:21:30 AM

ARLENE LUMBAB, testifying on behalf of the Filipino Community, Inc., in support of SCR 14, indicated that Mr. Lumbab is her brother, and said she is also from Catbalogan, Samar, Philippines. She said she moved to the U.S. in 1986, living first in Sacramento, California, then moving to Juneau, Alaska, in 2007. She said Alaska "embraced" her. Ms. Lumbab said she serves on the board of directors of the Filipino Community, Inc. She said SCR 14 would honor all Filipinos in the state. She added, "We have a special appreciation of its significance here in Juneau." She relayed that the Filipino Community, Inc., is the oldest organized Filipino organization in Alaska, having

been incorporated in 1956. Many of the founding families of the organization still reside in Alaska.

MS. LUMBAB related that it has been said that the Filipinos are the second largest ethnic group in Alaska, second only to Alaska Natives. She said Filipinos are thrilled that the Alaska State Legislature is giving consideration to Filipinos, and would accept the recognition with respect and honor. She urged the committee to support SCR 14. In response to Chair Lynn, she confirmed that there are [Filipino] organizations in other parts of the state.

[8:24:27 AM](#)

ED CARRILLO, Vice President, Filipino Community, Inc., testifying in support of SCR 14, offered a brief personal history. He said his family came from Kalibo, Aklan, Philippines. He relayed that his late father came to the U.S. during the late 1920s and worked as a sugar cane worker, farmhand, mine worker, and custodian, and served with the U.S. Army during World War II. Mr. Carrillo said his father met his mother and they had six children. His father returned to the U.S. with the three eldest children and ended up in Juneau. When he saved enough money, he sent for his wife and youngest three children. Mr. Carrillo said he was one of the youngest children and came to Alaska in 1975, when he was 13 years of age.

MR. CARRILLO said he speaks as a Filipino American to say that Filipinos would be honored through the proposed legislation, and he encouraged the committee to support SCR 14.

[8:26:45 AM](#)

REPRESENTATIVE GRUENBERG expressed appreciation for the resolution and said he would like to sign as a cross sponsor. He said former Representative Buchholdt served with distinction. He said his best friend's late father-in-law was from the Philippines and graduated from West Point.

CHAIR LYNN said he thinks most of the committee members would be signing on as cross sponsors.

[8:28:23 AM](#)

REPRESENTATIVE PETERSEN noted that he has already signed as a co-sponsor.

8:28:48 AM

MARIO LIM, testifying in support of SCR 14, said he is the pastor of Word of Life Christian Center in Juneau. He noted that he used to work with former Representative Bruce Weyhrauch, as well as having worked as an environmental engineer with the Department of Environmental Conservation (DEC). He said the bill honors Filipinos who have worked and still are working for Alaska. He relayed that he has two grown children who were born in Juneau, and he said his wife has worked as a nurse for 37 years. Mr. Lim opined, "This honor has been long overdue." He said Filipinos love Alaska with all their hearts, which is why they are passionate about the proposed legislation. He encouraged the committee to support SCR 14. In response to Representative P. Wilson, he said he adapted to the environment in Juneau, and loves living in Juneau. He related that while he was working for DEC, he met a Filipino man during a trip to Prudhoe Bay.

8:31:51 AM

CHAIR LYNN, after ascertaining that there was no one else who wished to testify, closed public testimony.

8:31:59 AM

REPRESENTATIVE GRUENBERG noted that in the committee packet there is a letter expressing support of SCR 14, written by Jenny Gomez Strickler, the president of Filipino Community, Inc.

8:32:26 AM

REPRESENTATIVE PETERSEN related that a neighbor of Filipino descent invited him over for Christmas Eve one year, and that has become a tradition. He stated, "They're a great group of people - hard working people and great Alaskans." He said he will be pleased to cast a yes vote on the proposed legislation.

8:33:10 AM

REPRESENTATIVE PETERSEN moved to report SCR 14 out of committee with individual recommendations and the accompanying zero fiscal note. There being no objection, SCR 14 was reported out of the House State Affairs Standing Committee.

SB 261-ALCOHOLIC BEVERAGE CONTROL BD MEMBERS

[8:33:52 AM](#)

CHAIR LYNN announced that the next order of business was CS FOR SENATE BILL NO. 261(L&C), "An Act relating to the membership of the Alcoholic Beverage Control Board; and providing for an effective date."

[8:34:05 AM](#)

SENATOR DONNY OLSON, Alaska State Legislature, introduced SB 261 as sponsor. He indicated that the effects of alcohol are more devastating in rural Alaska, where social services, wellness programs, and public safety are not sufficient. He stated that SB 261 would offer another tool with which to address issues related to alcohol abuse in small communities in rural Alaska. Senator Olson explained that currently there are five members on the state's Alcoholic Beverage Control (ABC) Board, two of whom must represent the general public, and SB 261 would require that one of those public members is a resident of a rural area. He said the idea is that a public member who is a resident of a rural area would have a better understanding of how to address the issues that exist in rural areas. Senator Olson said there are 120 people in his community, and in the last six months the community has experienced two tragedies. He said he sees SB 261 as a mean by which to "raise the profile to this problem in a public forum" to "relieve some of the pain and suffering that has already been out there."

[8:36:21 AM](#)

TIM BENINTENDI, Staff, Senator Donny Olson, Alaska State Legislature, offered further information on behalf of Representative Olson. He explained that the reasoning behind the proposed legislation is that since the ABC Board addresses issues related to bars, clubs, and retail operations, it would be beneficial to have someone from a rural community, where related problems are acute, to sit on the board. Currently, he said, the appointment of someone from a rural community to the board is discretionary.

[8:38:47 AM](#)

MR. BENINTENDI, in response to Chair Lynn, said the definition for "rural area" is found in language on page 2, lines 5-11, which read as follows:

(2) "rural area" means an area that is not connected by road or rail to Anchorage or Fairbanks, that has participated in a local option election under AS 04.11.491, and

(A) is a city; or

(B) is an established village that is located in the unorganized borough; for purposes of this subparagraph, "established village" has the meaning given in AS 04.21.080.

MR. BENINTENDI, in response to a follow-up question, said under SB 261, the application process would be open to someone from a "dry" village.

[8:41:12 AM](#)

REPRESENTATIVE GATTO cited a sentence in Section 1, beginning on line 8, which read as follows:

Two members of the board shall be persons actively engaged in the alcoholic beverage industry, except that no member may hold a wholesale license or be an officer, agent, or employee of a wholesale alcoholic beverage enterprise.

REPRESENTATIVE GATTO asked, "So, we have pretty much ruled out the wholesale, and so, where are we left with: retail?"

MR. BENINTENDI offered his understanding that the licensee would be excluded, but said he imagines the other employees would qualify.

[8:42:44 AM](#)

REPRESENTATIVE JOHNSON observed that the aforementioned language includes employees of wholesale alcoholic beverage enterprises.

[8:42:58 AM](#)

REPRESENTATIVE GATTO then directed attention to the next sentence, beginning on page 1, line 11, which read as follows:

No three members of the board may be engaged in the same business, occupation, or profession.

REPRESENTATIVE GATTO said he finds the use of the phrase "No three" confusing.

[8:43:41 AM](#)

MR. BENINTENDI offered his understanding that the language is written that way to ensure that all three public members are "apart from the industry."

REPRESENTATIVE GATTO explained that he has trouble with the two words, "No" and "three", being used together.

[8:44:21 AM](#)

REPRESENTATIVE GATTO directed attention to the definition of rural area on page 2, lines 5-11 [text provided previously]. He offered his understanding that the language refers to unorganized boroughs, and he asked if it is the sponsor's intent to ensure "it is only an unorganized borough."

[8:45:02 AM](#)

MR. BENINTENDI said the sponsor's intent was [to include] established villages inside or outside of a borough. He said he would discuss the matter with the bill drafter.

[8:45:28 AM](#)

REPRESENTATIVE P. WILSON pointed out that SB 261 proposes only a couple changes to current law. Regarding Representative Gatto's previous remarks about the phrase "No three", she offered her understanding that it means no three members of the board may be engaged in the same business, which would help the board keep its perspective broad. Representative Wilson said she likes the bill, and she characterized it as a first step in addressing a problem.

[8:46:34 AM](#)

REPRESENTATIVE GRUENBERG directed attention to the term "city", on page 2, line 8, and he cited the definition of "city" from AS 29.71.800 (4), which read as follows:

(4) "city" means a general law first or second class city or a home rule city;

MR. BENINTENDI, in response to Representative Gruenberg, confirmed that that is the definition the sponsor wishes to use in SB 261.

REPRESENTATIVE GRUENBERG suggested it may eliminate confusion to reference that statute within the bill.

MR. BENINTENDI said he does not see a problem with that, but he said he wants to talk with the bill drafter.

[8:48:42 AM](#)

REPRESENTATIVE GRUENBERG, regarding "No three members", on page 1, line 11, said he interprets the phrase to mean that not more than two members of the board would be allowed to be in the same profession. In response to Mr. Benintendi, he offered his understanding that "No three members" cannot mean three or less.

MR. BENINTENDI said he would discuss that with the bill drafter.

REPRESENTATIVE GRUENBERG emphasized the importance of clarifying the bill sponsor's intent.

[8:49:58 AM](#)

REPRESENTATIVE GRUENBERG directed attention to language on page 2, lines 5-7, which would require a "rural area" to have "participated in a local option election under AS 04.11.491". He asked what the reason is for that requirement and whether there are any such areas that would otherwise qualify under the proposed bill.

[8:51:18 AM](#)

MR. BENINTENDI responded that he does not think anyone would be excluded. He said several communities would qualify under two and even three of the criteria set out.

REPRESENTATIVE GRUENBERG said that would not be his interpretation of the way the bill has been drafted, because the conjunctive "and" follows, which means the definition of rural area is an area that meets the criteria set out on page 2, lines 5-7 [text provided previously] and is a city or is "an established village that is located in the unorganized borough".

[SENATOR OLSON nodded.]

REPRESENTATIVE GRUENBERG questioned "why that's in there."

MR. BENINTENDI responded that the language is written thus to focus on communities most in need.

[8:53:22 AM](#)

REPRESENTATIVE SEATON asked what the purposed is of the requirement that a rural area must have participated in a local option election.

[8:53:53 AM](#)

MR. BENINTENDI answered, "It lends more to the community profile than looking for individuals with specific experience."

[8:54:19 AM](#)

SENATOR OLSON said he would like to address some of the previous questions of the committee. He said [the ABC Board] is comprised mainly of people from metropolitan or established first- or second-class cities. Regarding the local option election, Senator Olson said it is important to have a member on the ABC Board who has been involved in an election determining whether a community will be "dry," "damp," or "wet." Regarding the unorganized boroughs, he offered his understanding that there are no cities in a borough that are not either a first- or second-class city.

[8:57:45 AM](#)

SENATOR OLSON, in response to Representative Johnson, offered his understanding that a community is assumed wet until it has held a local option election that results in a majority of the citizens voting to make the community dry.

REPRESENTATIVE JOHNSON pointed out that an individual from a dry community would be eligible to serve on the ABC Board, which is responsible for administering liquor licenses.

[8:59:09 AM](#)

MR. BENINTENDI admitted to the possibility but questioned the likelihood of that happening.

REPRESENTATIVE JOHNSON suggested that the proposed legislation should be changed so that those from dry communities cannot

serve on the board. He said the subject of alcohol in dry communities should be addressed by law enforcement rather than by an ABC Board member. He then suggested that the same should apply to damp communities.

MR. BENINTENDI, in response to Representative Johnson, said information is available regarding how many rural areas have held local option elections, and he offered to find out what that number is.

REPRESENTATIVE JOHNSON expressed concern that the local option election requirement may make the bill too narrow.

[9:01:24 AM](#)

REPRESENTATIVE JOHNSON questioned the meaning of "**not connected by road**". He explained that the Alaska Marine Highway is considered a road when it comes to getting federal money for Alaska.

MR. BENINTENDI replied that under SB 261, the Alaska Marine Highway is "excluded from the definition of a road" so that communities in Southeast Alaska could participate.

[9:02:14 AM](#)

REPRESENTATIVE PETERSEN returned to the previous question about "No three members". He directed attention to language on page 1, line 8, which states that two members of the board "shall be persons actively engaged in the alcoholic beverage industry". He posited that if all three public members were also from the industry, that would stack the board with "industry-friendly members."

CHAIR LYNN asked Senator Olson if he agrees.

[9:03:09 AM](#)

SENATOR OLSON responded, "It's already in statute - the three members that are there - and so, that's not the constitution of the bill." He said his interpretation is that it is advisable to have diverse opinions on a board. He said his intent is to further broaden the diversity.

[9:03:35 AM](#)

REPRESENTATIVE GATTO questioned the use of the word "the", which precedes "unorganized borough" on page 2, line 9. He asked if the bill sponsor would like to pluralize "borough" or add "an" before "borough".

MR. BENINTENDI explained that the language as currently written is "a term of art" meaning all the areas of the state that are not organized into a borough or municipality.

[9:04:17 AM](#)

REPRESENTATIVE GATTO emphasized the importance of creating language in the bill that is not open to misinterpretation. He asked how "No three members of the board may be engaged in the same business" would be interpreted if, for example, one of the two members of the board that are required to be actively engaged in the alcoholic beverage industry happen also to be from a rural area.

MR. BENINTENDI said although he can see how the existing language could be interpreted more than one way, the sponsor is addressing only one of the three public member seats.

REPRESENTATIVE GATTO reiterated the importance of being specific within the bill language, so that the proposed bill is not subject to interpretation.

[9:06:51 AM](#)

REPRESENTATIVE GRUENBERG, regarding Representative Gatto's previous question about the use of the phrase "the unorganized borough", cited AS 29.03.010, which read as follows:

Sec. 29.03.010. Establishment.
Areas of the state that are not within the boundaries of an organized borough constitute a single unorganized borough.

REPRESENTATIVE GRUENBERG, regarding the "No three members" language, said he thinks Representative Gatto is correct that the language is technically ambiguous. He indicated someone could think that means that allowing four or five members of the board to be engaged in the same business would be okay. He suggested the language should read, "No more than two". Representative Gruenberg referred again to the definition of "city", which he had previously read, and he noted that the definition pertains to a certain title in statute. He

recommended using the definition in SB 261 and referencing the statute from which the definition came.

[9:09:09 AM](#)

SENATOR OLSON concurred, but asked the committee to focus on the intent of the bill, not to rework existing statute. He said the intent of the bill is to ensure that there is "a rural perspective on the board."

[9:10:33 AM](#)

REPRESENTATIVE JOHNSON stated that he supports the concept of the bill, but is concerned that, for example, under SB 261 the existing board member from Cordova would be excluded. He explained that he is not certain that Cordova has ever held a local option election. He said he would like the bill held over in order to "give the board all the tools they need."

CHAIR LYNN said it appears the bill needs to be held for amendments to be made.

[9:12:48 AM](#)

SENATOR OLSON encouraged the committee to look through the bill with a fine-tooth comb, but reiterated his request that the committee concentrate on the portion of statute that he has proposed to change.

[9:13:59 AM](#)

REPRESENTATIVE GATTO indicated that when working on one issue in a proposed bill, a committee sometimes has the chance to change related statute to avoid unintended consequences.

[9:14:30 AM](#)

REPRESENTATIVE SEATON, regarding organized and unorganized villages, asked if it is the intention of the bill sponsor to exclude Nanwalek and Port Graham, for example, which are in the Kenai Peninsula Borough. He offered his understanding that those communities have not yet held a [local option] election.

SENATOR OLSON said he is not trying to exclude those communities.

[9:15:38 AM](#)

REPRESENTATIVE P. WILSON remarked, "We have so many organized boroughs, and everything that's not an organized borough is in the unorganized borough, and there's only one of them."

[9:16:07 AM](#)

REPRESENTATIVE GRUENBERG said the part of the definition of urban area concerning not being connected by road or rail is taken from another statute. He urged the bill sponsor to consider not excluding some communities just because they happen to be on the road system. He said he would like to give the governor as much discretion as possible to get a rural member on the board.

[9:18:30 AM](#)

MR. BENINTENDI said communities on the road system are considered to have better access to remedial services. He said someone once asked if a person from Auke Bay, within the Juneau Borough, could serve on the seat proposed by SB 261, but Mr. Benintendi defined a community as that which has "25 or more people who exist and operate as a social unit."

[9:20:15 AM](#)

REPRESENTATIVE GRUENBERG said he thinks the definition of rural area needs further consideration. He stated, "Because Auke Bay is part of the City & Borough of Juneau, so, we can substitute City & Borough of Juneau for Auke Bay, because that's what we're talking about. And that is an area that's not connected by road or rail to Anchorage or Fairbanks, and it is a city."

MR. BENINTENDI responded that a person from Auke Bay could apply for one of the other two general public seats, "just not the one we're trying to define." He directed attention to the word "and" on page 2, line 7, [previously highlighted by Representative Gruenberg], and noted that the word is not "or". He stated, "But ... it might be 200 communities in this state that could take advantage of applying under the criteria we're trying to establish." He said he would try to access more accurate community population estimates.

[9:21:23 AM](#)

MR. BENINTENDI, in response to Representative Seaton, said currently an applicant from Juneau could fill one of the other two general public seats.

REPRESENTATIVE SEATON said he thinks the only exclusion for Juneau is if the community has never held a local option election. He then observed that Auke Bay is not excluded because it is connected by road to Juneau; it is excluded because it has not held a local option election.

MR. BENINTENDI confirmed that is correct.

[9:23:41 AM](#)

DALE FOX, President, CEO, Alaska Cabaret Hotel Restaurant & Retailer's Association (Alaska CHARR), testified in opposition to SB 261. He stated that the ABC Board serves an important regulatory and licensing function in Alaska; it is a detail-oriented board, which deals with "the minutia of alcohol laws." Because of this, he expounded, the ABC Board is not the most exciting board on which to sit, and recruiting members to serve on it can be difficult. He said historically governors have done a great job in ensuring a balance in representation on the board. He said the board member from Cordova already "fits the description of this bill." He said her name is Belen Cook, and she works for the Native village of Eyak as a domestic violence and substance abuse case manager, and is the chair of the annual sobriety [conference]. He said Ms. Cook has three years left on her term.

MR. FOX opined that SB 261 is not needed, because there is already someone representing rural interest. He said some people may suggest institutionalizing that representation, but the bill would exclude any community on the road system, those people in organized boroughs, and those communities that have not had local option elections. He noted that the original bill version's stipulation that there be a 4,500 population requirement that would have excluded the Cities of Bethel, Barrow, and Kodiak. He explained he is pointing that out in case anyone is considering adding that back into SB 261. Mr. Fox opined that SB 261, in its original and current form, is bad public policy that would tie the hands of the governor.

[9:26:41 AM](#)

BRIDIE TRAINOR, Director, Bering Strait Suicide Prevention Program, Kawerak, Inc., testified in support of SB 261. She

said the forum is grateful for the current diversity of ABC Board members. She said Senator Olson has done a good job in "representing the issues in rural Alaska." She concluded, "I think that considerations regarding law enforcement versus ABC are valid, but I hope that it will go through this session, because it's desperately needed."

[9:28:11 AM](#)

MR. BENINTENDI, in response to Chair Lynn, confirmed that if SB 261 were passed into law, it would affect newly appointed board members. He reemphasized that under SB 261, there would still be two other seats that would serve "the applicants from Cordova and other places."

[9:28:43 AM](#)

REPRESENTATIVE GRUENBERG directed attention to language in Section 2, which read as follows:

***Sec.2.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION. The requirement that at least one member of the Alcoholic Beverage Control Board be a resident of a rural area added in AS 04.06.020, as amended by sec. 1 of this Act, first applies on the date the first term of office of a board member who represents the general public expires, and applies thereafter.

REPRESENTATIVE GRUENBERG stated:

Since the testimony is undisputed that there is somebody on the board currently who would meet the requirements, ... under ... Section 2, that person would simply continue and meet the requirements of this. Is not that correct? They wouldn't have to put another person on, because there's already somebody on the board that meets [the criteria].

MR. BENINTENDI responded, "If the person fits the criteria and the governor reappoints them, yes, sir."

REPRESENTATIVE GRUENBERG continued as follows:

Let us say the Cordova representative ... is on the board, and after the bill becomes effective, one of the other two public member's terms expires. There would ... not have to be a change on the board, because that person already meets the requirements of this.

MR. BENINTENDI responded:

If the definition that we have in this version holds fairly much like it is, that local option thing may be a preclusion. I'm not sure; I don't know the history of Cordova. But it may be that they could continue or it may be that one of the other seats would come in under this bill, and then when that person cycles out, the governor would be free to appoint outside of this bill.

REPRESENTATIVE GRUENBERG responded:

But if that person from Cordova does meet the requirements of this bill on that date, even though her seat's not up, another ... rural person would not have to be appointed, because [the person from] Cordova ... would already meet the requirements of the bill.

MR. BENINTENDI said, "I'm not sure. It doesn't state that, so I guess that's a little Twilight Zone we'd need to address."

[9:31:00 AM](#)

SHIRLEY GIFFORD, Director, Alcohol Beverage Control Board, Department of Public Safety, stated that the administration is neutral with respect to the proposed legislation. She said Governor Sean Parnell, and governors in the past, have focused on obtaining a diverse group of people from across the state to sit on the board. She said Ms. Cook, from Cordova, is doing an excellent job representing rural Alaska. She offered her understanding that under SB 261, Ms. Cook would not qualify to sit on the board, and she opined that it would be a great loss if Ms. Cook were to vacate the board. In response to a former question, she related that there are approximately 108 local option communities across Alaska. In response to Representative Johnson, she listed the communities from which the current board members hail and the expiration dates of their terms. In response to a follow-up question, she confirmed that the first available opening on the board will be in 2011.

[9:34:03 AM](#)

REPRESENTATIVE SEATON, regarding Ms. Gifford's previous statement that there are 108 local option communities, asked if that means 108 communities that are either damp or dry, or if that means the total number of communities that have ever held local option elections.

MS. GIFFORD explained that there are five separate local options: ban sale, community license only, ban sale and importation, ban possession, and packaged or licensed only. The aforementioned 108 communities are "scattered across the board" in terms of which local option they fall under, she said. A community that bans sale, importation, and possession is a dry community, and is considered a local option community, while "all the others who choose one form of local option or another" are considered damp communities. A community that does not choose any local option is a wet community.

REPRESENTATIVE SEATON observed that the proposed legislation does not address the communities that have selected local option, but addresses communities that have ever had an election for a local option. He asked if there are communities that have held a local option election, but did not accept the local option.

MS. GIFFORD said currently the board keeps count of the local option communities and which options those communities have elected. If a community voted down an option in an election, that community would not be on the board's list, she said.

REPRESENTATIVE SEATON said he would like that information.

[9:38:18 AM](#)

CHAIR LYNN closed public testimony. He said he likes the concept of SB 261, and he hopes the committee can make it work. He indicated that he would be holding the bill for further work.

[9:38:39 AM](#)

REPRESENTATIVE P. WILSON said she does not see the need to hold SB 261, because the sponsor has clearly stated, through the language of the bill, what he would like the proposed legislation to do.

[9:39:18 AM](#)

REPRESENTATIVE JOHNSON said he disagrees, because he questions the proposal to put someone from a community without a liquor license on the board responsible for issuing liquor licenses. He reiterated that that is a law enforcement issue, not a liquor control board issue.

[9:40:42 AM](#)

REPRESENTATIVE PETERSEN said he thinks one question that has been answered is whether there would be enough communities to qualify under SB 261. He said there may be additional communities, and that information will be forthcoming. He said he likes the intent of SB 261 and hopes the committee can get questions answered and move along the process.

CHAIR LYNN reminded the committee that the sponsor of the bill had said he had no problem with the bill being held over.

[9:41:37 AM](#)

REPRESENTATIVE JOHNSON noted that the House State Affairs Standing Committee is the only committee of referral that makes policy, and he encouraged the committee to be expedient, but also thorough.

[9:42:42 AM](#)

REPRESENTATIVE GATTO reiterated that if the bill sponsor's intent is to have one member of the board from a rural community, then he would like that specified in the bill. He said he does not have a problem with the language staying as is, if that is the sponsor's intent.

[9:43:19 AM](#)

REPRESENTATIVE GRUENBERG recalled that Mr. Fox had testified that it is difficult to get people to serve on the board, and Representative Gruenberg suggested that the committee consider giving some discretion to the governor if, for example, there is no one readily available to fill a board seat. He then directed attention to language on page 1, line 13, which specifies that "at least one" of the public members of the board, "shall reside in a rural area." He stated that there has, for the last few years, been heavy migration from rural to urban areas. He said if a person from a rural area who served on the board had to

move to an urban area, that rural seat would immediately be vacated. He said the migration to an urban area may be just for a short period of time, for example, to get medical treatment. Finally, Representative Gruenberg echoed Representative Gatto's previously stated concern regarding the use of "No three members". He opined that that language is poorly drafted and needs attention.

CHAIR LYNN confirmed that Representatives Johnson and Gruenberg would be working with the bill sponsor.

[9:46:20 AM](#)

REPRESENTATIVE GATTO said applications for board seats are sent to the governor's staff, and that staff member must "govern eligibility based on the law." Representative Gatto said if the law is unclear, that could result in that staff member disqualifying someone. He said the reason for spending so much time on the bill language is to give clear directions to that staff person whose assignment is to reject or accept applicants. He predicted that if the bill language is made clear by the House State Affairs Standing Committee, then SB 261 will pass the House floor easily.

[9:47:03 AM](#)

REPRESENTATIVE SEATON offered his understanding of the points in the bill that had previously been highlighted as needing clarification.

[9:48:14 AM](#)

REPRESENTATIVE JOHNSON, in response to Chair Lynn, stated his preference that a subcommittee not be formed, but rather that the chair allow him to work with the bill sponsor to answer his concerns.

CHAIR LYNN invited anyone else on the committee to contact the bill sponsor to work out issues related to SB 261.

[9:48:36 AM](#)

CHAIR LYNN announced that SB 261 was held over.

SB 215-PIONEERS HOME RX DRUG BENEFIT

[Contains mentioned of HB 284.]

9:48:46 AM

CHAIR LYNN announced that the next order of business was SENATE BILL NO. 215, "An Act requiring the Department of Health and Social Services to accept federal prescription drug benefits or to provide comparable benefits for residents of the Alaska Pioneers' Home."

9:49:40 AM

SENATOR WIELECHOWSKI, Alaska State Legislature, as co-prime sponsor, noted that HB 284 is a companion bill. He offered a history of the problem, which SB 215 proposes to address. He noted that in April 2009, veterans living in the Alaska Pioneer Homes, who were not able to administer their own medications, stopped receiving the free or low-cost medications they earned through the Veterans Administration and were forced to purchase their medication through the Alaska Pioneer Homes' pharmacies. The problem, Senator Wielechowski explained, is that the Alaska Pioneer Homes' pharmacies prepare medication in blister packs, and the Veterans' Administration does not have the equipment to do so. The staff at the Alaska Pioneer Homes refused to administer drugs from bottles, and was not able to put the medication in blister packs.

SENATOR WIELECHOWSKI said the Department of Health & Social Services, the Alaska Pioneer Homes, the Veterans Administration, veterans' advocates, and several members of the legislature worked together for several months to solve the problem. The Alaska Pioneer Homes were cooperative, and the chief pharmacist of the Alaska Veterans Association and chief of staff conducted in-service visits to the Alaska Pioneer Homes to ensure that the nurses were properly administering medications directly from the original bottles from the Veterans Association.

SENATOR WIELECHOWSKI stated that SB 215 seeks to ensure that this problem does not surface in the future. He stated his understanding that "this isn't the first time that this has happened." He said the change of administrations could be a time when this happens, and that is why "we're seeking to codify this." Senator Wielechowski related that the bill has a zero fiscal note and no known opposition. The proposed legislation is supported by the Office of Veteran Affairs and is a top legislative priority for the Vietnam Veterans of America. He offered to answer questions from the committee.

9:53:10 AM

REPRESENTATIVE JOHNSON stated his understanding that the reason for using blister packs is to eliminate the possibility of dosing error. He asked if the state would be subjecting itself to liability by saying it's okay to use bottles.

9:55:00 AM

SENATOR WIELECHOWSKI responded that those who administer medications at the Alaska Pioneer Homes were concerned about the possibility of error, but after consideration have decided that they can administer medication safely from bottles, which is why they are "supportive of this compromise." He noted that there are only about a dozen people to which the proposed the legislation would apply.

9:56:26 AM

REPRESENTATIVE SEATON said when the committee heard the companion bill, HB 284, he had relayed that he has a relative who "was in this situation." He expressed concern that the proposed legislation would be "putting things in statute that are already taken care of." He said one issue that has not been addressed is the waste resulting in using blister packs. He explained that blister packs are made for 31 days, and those medications not used during months with fewer days are thrown out, and the value of those discarded medications is not reimbursed to the person in whose name the prescription is written.

9:57:20 AM

REPRESENTATIVE P. WILSON said as a nurse, she has "dispensed drugs like this." She said veterans deserve the free drugs from the Veterans Association; they should not have to pay for the same drug because it's in a blister pack. She said she thinks SB 215 is a good bill.

9:58:38 AM

REPRESENTATIVE GRUENBERG echoed Representative Johnson's concern about possible liability to the state under SB 215.

9:59:22 AM

SENATOR WIELECHOWSKI responded that "anyone can sue for any reason at all." He stated, "At some point you have to put some ... confidence in the professionals that are working at the [Alaska Pioneer] Homes - the nurses that are working there." Regarding whether or not there would be increased liability, he said, "I guess someone could administer the wrong blister pack."

[9:59:54 AM](#)

REPRESENTATIVE GRUENBERG asked the bill sponsor if he thinks the legal aspect of the bill had been sufficiently addressed.

[10:00:03 AM](#)

SENATOR WIELECHOWSKI responded:

Personally, ... as an attorney myself, I don't see it as burdensome. I don't see it as an additional, potential liability. You have a professional nurse in a professional organization who's been working with the [Alaska Pioneer] Homes, whose working with the Department of Health & Social Services to figure out a method to do this. It really is just a matter of taking a pill out of a bottle and giving it to the person. And so, obviously if a nurse doesn't do that correctly, there's potential liability there. I don't think there's any way you can get around that. If ... they give the person the wrong medicine from a blister pack, there's potential liability there.

REPRESENTATIVE GRUENBERG expressed satisfaction with Senator Wielechowski's answer.

[10:01:09 AM](#)

VERDIE BOWEN, Director, Office of Veteran Affairs, Department of Military & Veterans' Affairs (DMVA), testified in support of SB 215. He said several times last year patients had to stop receiving their medication from the VA. He stated, "Each time a solution was brought forward, then something new would creep up from some administrative order or something that would not allow the patient to receive the medication." Mr. Bowen said what made the situation worse was that many of the patients involved could not speak up for themselves because they had Alzheimer's and dementia, and so their families had to go to their defense. He affirmed that Senator Wielechowski was correct that the number of patients affected last year was about a dozen. Mr.

Bowen stated that the intent of the bill is to prevent this situation from happening again years from now. He credited Commissioner Hogan as the person who "stood up" and "put forth the fixes in place." Regarding bottled medicine, Mr. Bowen explained that the pills are taken out of the bottle and placed into "ready packs," which he said look like blister packs, but are packaged for Monday through Sunday. He said he does not know what liability there would be to the state, but does know that "this is something that those people have earned and should continue to receive."

[10:03:16 AM](#)

CHAIR LYNN closed public testimony.

[10:03:24 AM](#)

REPRESENTATIVE PETERSEN said he thinks it is unfortunate that some veterans were denied their medication last year, and he stated his support of SB 215.

[10:04:02 AM](#)

CHAIR LYNN reopened public testimony.

[10:04:15 AM](#)

DAVE COTE, Director, Central Office, Division of Alaska Pioneer Homes, stated that the department is neutral regarding SB 215, because "we are basically already doing this anyway." Regarding safety, he relayed that while certified nurses' aides are allowed to dispense from the blister packs, the department has asked that only nurses dispense the VA and Indian Health Services medications. Mr. Cote stated that those people who were charged for the period of May through November were all refunded and credited back all the money that they were charged. Mr. Cote, in response to Representative Johnson, said blister packs increase the amount of money and time required for dispensing medication and "the VA doesn't do that." In response to a follow-up question, he said the state uses the blister packs for safety reasons.

[10:07:12 AM](#)

MR. CODY, regarding Representative Seaton's concern about the wasted medication in a 31-day blister pack, indicated that there are rules related to whether or not medications can be returned

to pharmacies. He indicated that important factors are whether, since its release from the pharmacy, the medication stayed at the proper temperature and was not damaged or tampered with in any way. He said the department and the pharmacies believe "this is the right way to go with this."

10:08:11 AM

REPRESENTATIVE GRUENBERG moved to report SB 215 out of committee with individual recommendations and the accompanying zero fiscal notes. There being no objection, SB 215 was reported out of the House State Affairs Standing Committee.

10:09:14 AM

ADJOURNMENT

There being no further business before the committee, the House State Affairs Standing Committee meeting was adjourned at 10:09 a.m.