

HOUSE FINANCE COMMITTEE

April 2, 2018

3:00 p.m.

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CALL TO ORDER

Co-Chair Foster called the House Finance Committee meeting to order at 3:00 p.m.

MEMBERS PRESENT

Representative Neal Foster, Co-Chair
Representative Paul Seaton, Co-Chair
Representative Les Gara, Vice-Chair
Representative Jason Grenn
Representative David Guttenberg
Representative Scott Kawasaki
Representative Dan Ortiz
Representative Lance Pruitt
Representative Steve Thompson
Representative Cathy Tilton
Representative Tammie Wilson

MEMBERS ABSENT

None

ALSO PRESENT

Claire Gross, Staff, Representative Gara; Representative Harriet Drummond, Sponsor; George Ascott, Staff, Representative Harriet Drummond; Representative Jonathan Kreiss-Tomkins, Sponsor; Cathy Schlingheyde, Staff, Representative Jonathan Kreiss-Tomkins; Stephanie Butler, Executive Director, Alaska Commission on Postsecondary Education, Department of Education and Early Development.

PRESENT VIA TELECONFERENCE

Doug Walrath, Director, Northwestern Alaska Career and Technical Center, Nome; David Tyler, Division of Fire and Line Safety, Department of Public Safety, Anchorage.

SUMMARY

HB 221 WORKFORCE & ED RELATED STATISTICS PROGRAM

HB 221 was HEARD and HELD in committee for further consideration.

HB 268 OPIOID PRESCRIPTION INFORMATION

HB 268 was HEARD and HELD in committee for further consideration.

HB 400 FEES FOR FIRE PREVENTION MEASURES

HB 400 was REPORTED out of committee with a "do pass" recommendation and with one previously published indeterminate fiscal note: FN1(DPS).

Co-Chair Foster reviewed the agenda for the day.

#hb268

HOUSE BILL NO. 268

"An Act relating to the prescription of opioids; relating to the Department of Health and Social Services; relating to the practice of dentistry; relating to the practice of medicine; relating to the practice of podiatry; relating to the practice of osteopathy; relating to the practice of nursing; and relating to the practice of optometry."

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REPRESENTATIVE LES GARA, SPONSOR, introduced himself.

CLAIRE GROSS, STAFF, REPRESENTATIVE GARA, introduced herself.

Representative Gara explained that the difference between the proposed Committee substitute (CS) and the original bill was the transfer of requirements that were consistent with the Center for Disease Control (CDC) guidelines for informing patients about the dangers of opioid addiction and reasonable drug alternatives. The change moved from the legislature prescribing rules to allowing the board to adopt their own regulations that were consistent with CDC guidelines. The bill proposed to provide nine months for the boards to adopt regulations.

Co-Chair Seaton MOVED to ADOPT proposed committee substitute for SSHB 268, Work Draft 30-LS1081\E (Radford, 3/30/18).

There being NO OBJECTION, it was so ordered.

Representative Gara began the PowerPoint presentation: "HB 268 - Opioid Prescription Warnings." He referenced HB 159 [legislation pertaining to the prescription of opioids passed in 2017], a bill sponsored by the governor. The legislature since had learned about the addictive nature of opioids, that 80 percent of those using heroin started on a pain-killing drug, and that the longer a person used an opioid the more likely one was to become addicted. He relayed that the death rate from prescribed opioid overdose in Alaska was about twice the national level. There was still a gap between prescribers either being informed or informing their patients of the dangers of opioids. He shared that a number of states were adopting similar bills.

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Representative Gara moved to slide 2: "The Nationwide Opioid Epidemic." Representative Gara continued discussing the bill. He detailed that roughly 91 people died per day from opioid overdoses.

Representative Gara scrolled to slide 3: "The Alaskan Opioid Epidemic." He reported that heroin-associated deaths in Alaska were 50 percent higher than the national average, and there was a link between opioid addiction and heroin use.

Representative Gara moved to slide 4: "Extended Opioid Use Raises Risk of Addiction." The chart on the slide showed that the longer a person was on an opioid prescription, the more likely they would become addicted.

Representative Gara advanced to slide 5: "Link Between Opioid Abuse and Heroin Addiction." He specified that roughly 80 percent of those using heroine started out misusing prescription opioids such as hydrocodone.

Representative Gara turned to slide 6: "HB 268":

Is a patient information bill which seeks to provide new regulations for prescribing:

Dentists
Doctors
Podiatrists
Osteopaths
Nurses
Optometrists

Representative Gara reported that the bill was a patient information bill. He considered that if patients were informed about the dangers and addictive qualities of opioids, it would be possible to find less dangerous alternative treatments.

Representative Gara discussed the language from the bill on slide 7: "HB 268 con't":

Requires the state Board of Dental examiners, the State Medical Board, the Board of Nursing, and the Board of Examiners in Optometry to adopt regulations....

Representative Gara advanced to slide 8: "HB 268 Regulations":

Requiring prescribers to:
"Advise patients, using oral and written information, before prescribing an opioid, of the potential dangers of opioid addiction, and alternatives to the opioid prescription the provider considers reasonable"

Representative Gara qualified that the bill would not interfere with the provider-patient relationship. The intent was to make the bill as simple as possible so that it was useful for providers. The bill aimed to give boards leeway to make exceptions to the requirement. The requirement would generally apply to outpatients, and providers could exempt classes of patients. He discussed prescriptions of opioids for cancer patients and suggested some thought that cancer patients did not need the same information on the dangers of opioids. He thought a board might determine that it was not sensible to have to provide information in certain circumstances such as for Hospice care patients. He discussed extenuating circumstances and asserted that boards should have leeway.

Representative Gara discussed slide 9: "HB 268 Regulations":

The boards may:

"Determine which classes of patients may be reasonably exempted from the information requirement and may allow an exemption from the requirement for violations the board considers to be unintentional, periodic accidental violations, and for good cause, including when a licensee needs to attend to the perceived immediate health care of another patient."

Representative Gara scrolled to slide 10: "HB 268 DHSS":

HB 268 also requires that the Department of Health and Social Services

"Post on the department's Internet website, and provide access to a printable version of, a written statement, which may include graphics, that provides easily understandable information on opioids, including the potentially addictive and harmful qualities of opioids."

This written statement will assist prescribers in complying with the patient information regulations adopted by the state boards under this bill

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Representative Gara reviewed slide 11: "Making HB 268 Effective Without Hurting Doctor-Patient Relationship":

No civil liability for violating bill requirements

Prescribers given broad leeway to make honest mistakes

Representative Gara expressed that he did not want there to be interference in the doctor-patient relationship by the threat of lawsuits. He reiterated that the intent was to give boards the ability to allow practitioners the leeway to make honest mistakes.

Representative Gara explained how the idea for the legislation was brought to his attention on slide 12: "CDC Checklist for Prescribing Opioids: Bill Implements CDC Opioid Crisis Voluntary Recommendations":

Bill Implements CDC Opioid Crisis Voluntary
Recommendations

The CDC recommends that prescribers discuss the risks, benefits, and alternatives to opioid medication with their patients when they prescribe ... and much more.

Representative Gara thought that many providers were providing the opioid information, but many were not.

Representative Gara showed slide 13: "CDC Checklist for Prescribing Opioids: Checklist for prescribing opioids for chronic pain." He noted that the CDC guidelines were much more comprehensive than what was proposed in the bill; and boards could adopt more if desired.

Representative Gara reported on slide 14: "Why Inform Patients?" He read the bubbles from the slide:

We know of no other medication routinely used for a nonfatal condition that kills patients so frequently..."

Only about 5 percent of patients being prescribed opioid painkillers are receiving them for chronic pain. But that small group accounts for nearly three-quarters of opioid prescriptions. 1

More than 70 percent of patients who die of opioid-related overdoses became addicted while being treated for chronic pain. 1

The CDC found that "many patients lack information about opioids and identified concerns that some clinicians miss opportunities to effectively communicate about safety."

1.The Washington Post, CDC Warns Doctors About the Dangers of Prescribing Opioid Painkillers, (March 15 2016)

2.Dowell D, Haegerich TM, Chou R. CDC Guideline for Prescribing Opioids for Chronic Pain – United States, 2016. MMWR RecommRep 2016;65(No. RR-1):1-49. DOI: <http://dx.doi.org/10.15585/mmwr.rr6501e1>

Representative Gara lamented that expanded opioid information was not being communicated to patients in a

uniform way. The bill proposed to require providers to get training to understand the dangers of opioids and addiction.

Representative Gara looked at slide 15: "CDC Guidelines":

This first national guidance on the subject is nonbinding, and doctors cannot be punished for failing to comply.

...the head of the Centers for Disease Control and Prevention, which issued the guidelines, said the effort was critical to bringing about "a culture shift for patients and doctors."

"Starting a patient on opiates is a momentous decision, and it should only be done if the patient and doctor have a full understanding of the substantial risks involved."

--CDC Director Tom Frieden

Source: The Washington Post, CDC Warns Doctors About the Dangers of Prescribing Opioid Painkillers, (March 15 2016)

Representative Gara stated that while there was not conclusive proof, it was known that not all doctors were providing the opioid information, and therefore the CDC had issued the guidelines.

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Representative Gara advanced to slide 16: "Recognition that Prescribers Don't Always Inform Patients about the Dangers of Opioids." He read a portion of the slide:

This problem of overprescribing opioids—and, according to other research, failing to warn patients about the risks of dependence and overdose—isn't unique to emergency doctors. Physicians in other specialties, like internal medicine and primary care, prescribe even more opioids, Barnett says. "The whole medical community has a responsibility for this."

--TIME Health, How Doctors Are Fueling the Opioid Epidemic (Feb 17, 2017)

Representative Gara relayed that other states had followed the same approach as proposed in the bill. It was found that emergency room doctors understood the need for greater information as they witnessed the ill effects of opioids. He referenced similar legislation in the states of Michigan and Maine. He felt that the medical community was still catching up to the body of information about opioids.

Representative Gara wanted to go through the presentation quickly, and to provide additional information. There had been progress with the bill. The Dental Society (a prescribing authority) had testified as to the necessity of the bill. Optometrists had a board and had not communicated a position on the bill. Nurse practitioners had a board. A board covering doctors and osteopaths had initially objected to the bill and had referenced informed consent from patients for any treatment from a physician. Most recently the board for physicians had advised it was considering regulations to comply with CDC guidelines. The regulations of doctors would not govern dentists, optometrists, and advanced nurse practitioners; who would be governed by the bill. He considered that when the physicians and osteopaths came onboard it would solve over 90 percent of the problem.

Representative Gara thought the bill was a matter of life and death. He stated that the bill had addressed the opioid issue in as non-intrusive a way as possible for medical practitioners by giving them help and leeway to formulate exceptions to the rules. He made himself available for questions.

Co-Chair Foster relayed the available testifiers on the bill.

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Co-Chair Seaton referred to slide 4 and asked about the probability of using opioids for one year versus three years. He wondered if it meant that only half as many were continuing to use.

Representative Gara responded that the 1-year probability was maintaining and overusing opioids for one year. The number of people that used for 3 years was smaller. A number of people that used for one year did not continue

for three years. The information was provided by the CDC and was in the governor's packet from 2016.

Representative Wilson asked whether each board had a chance to look at the bill and determine the outcomes.

Representative Gara responded that the Medical Board had originally opposed the bill but was now coming onboard with the legislation. He had no other information from the Department of Commerce, Community and Economic Development (DCCED) that other boards had adopted the regulations.

Representative Wilson asked if the boards had the chance to discuss the legislation. She wondered if the bill had been on any of their agendas, so it could be a full discussion.

Representative Gara responded that he had communicated with boards through DCCED and had only heard a response from the Medical Board. He stated there were some practitioners that were supportive, and some that were not. For those who were already providing the information would not be impacted. He thought boards should be aware of the bill, which was pre-filed. The current version of the bill was more relaxed in terms of adoption of regulations.

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Representative Wilson asked how the bill would be policed. She looked at page 3 of the "E" draft of the bill and wondered how classes of patients would be reasonably exempted. She asked about the term "good cause."

Representative Gara responded that "good cause" was a commonly understood term, and a board could come up with additional exemptions that it determined reasonable. He used hospice patients and certain cancer patients as reasonable examples of exemptions that would be under the purview of boards. He reiterated the desire to leave boards with leeway to make exceptions and interfere with the patient-provider relationship as little as possible. He stated that the term "reasonable" was also well defined in law.

Representative Wilson asked about quantifying the percentage of providers that did not provide expanded opioid information.

Representative Gara argued that any providers not sharing the information were too many. The CDC had decided that enough providers were not providing information that it necessitated the adoption of national guidelines, and a number of states had addressed the issue as well. He relayed that the head of the CDC had been very clear that the evidence showed providers were not routinely giving out the information.

Representative Wilson asked if the invited testifiers were available.

Co-Chair Foster indicated that none of the invited testifiers were not online.

Representative Gara argued that the bill was a policy call. He continued that a number of practitioners had contacted his office with support as well as opposition. He was willing to listen to other medical board input and stated that the Medical Board had already impacted the bill. He was not interested in a response that included not wanting to be regulated. He emphasized the need to mitigate the deaths from opioid abuse and addiction.

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Representative Wilson agreed that the bill was a policy call. However, she thought an invitation to testify should be extended for boards. She questioned how to make a policy call without input from medical boards.

Co-Chair Foster conveyed the names of others available to testify on the bill.

Representative Gara responded that he had sat down with the deputy director at DCCED that worked with boards. He had authored letters requesting boards to comment and hoped for a response by the time the bill moved to the other body. He hoped the bill would not get held in committee. He believed that having proactive legislation such as HB 268, would result in boards examining the CDC guidelines and deciding to make them mandatory.

Representative Wilson did not want to hold the bill in committee. She wanted to understand what boards currently required. She did not want to duplicate efforts that were already in place.

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Co-Chair Seaton referred to slide 11 of the presentation. He asked about the provision of no civil liability for violation of bill requirements and wondered if it applied to providers or boards.

Representative Gara informed that the former bill was a requirement enforced in statute. The current bill simply asked boards to adopt regulations, and the boards would decide on punishment and the adoption of rules. There was no civil liability attached to the bill.

Co-Chair Seaton wanted to make sure that the terms would not prevent the boards from having sanctions on providers. He discussed statistics associated with Medicare Part B prescriptions. There were large areas of the state where 9.5 percent of all prescriptions for seniors were for opioids; which was more than twice the national average. He was very concerned that the problem was much greater than was known. He agreed with the bill. He thought it was much better for boards to be more involved in the process.

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Representative Guttenberg had no doubt that therapeutic and behavioral health providers recognized that there was a huge opioid epidemic. He did not believe that the medical community thought it was their problem. He asked where the doctors considered the problem came from, when a significant part of the problem came from prescribing and over-prescribing. He asked if doctors understood their role in the matter.

Representative Gara thought many doctors and prescribers had a good idea of the problem. However, he thought it was true for every profession that some people did stronger work than others. He was impressed with an emergency room physician from Mat-Su that understood the problem and had recommended passing a bill with a sunset. He chose to leave the regulation to the boards instead. He referenced the opioid addiction training required by HB 159, which had a deadline in the following two months.

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Representative Guttenberg was concerned with the fact that the boards had not come up with a policy to address the problem.

Co-Chair Foster OPENED Public Testimony.

Co-Chair Foster CLOSED Public Testimony.

Co-Chair Seaton was confused regarding the effective dates of the bill. He referred to page 7 of the bill. He read from Section 7 and Section 8. He asked if there was some contradiction in the language. He wondered if the dates for implementing regulation was a long enough time period. He thought it was important to raise the question earlier rather than later.

Representative Gara stated he would provide greater detail at the next hearing of the bill. He offered that the department could put the information up on a website for doctors to access. He wanted the bill to provide boards the time to give public notice and perhaps retract and redo regulations. The regulations would not have to be in place until February 1, 2019.

Co-Chair Foster indicated that amendments were due on Wednesday, April 4th at 5:00pm.

HB 268 was HEARD and HELD in committee for further consideration.

#hb221

HOUSE BILL NO. 221

"An Act relating to the duties of the Alaska Commission on Postsecondary Education; relating to a statewide workforce and education-related statistics program; relating to information obtained by the Department of Labor and Workforce Development; and providing for an effective date."

[3:41:38 PM](#)

REPRESENTATIVE HARRIET DRUMMOND, SPONSOR, introduced herself. She read from a prepared statement:

Thank you, Finance Committee Co-Chairs, members of the House Finance Committee

For the record, my name is Harriet Drummond, Chair of the House Education Committee, and with me are my aide, George Ascott, and Stephanie Butler, Executive Director of the Alaska Commission on Postsecondary Education.

I am honored to sponsor HB 221 as part of ongoing efforts in the legislature to take a detailed look at ways to improve how we as a state spend money on education and job training in Alaska.

HB 221 will help the Legislature to best allocate and utilize increasingly scarce resources available for education and workforce training by clarifying the authority of the Alaska Commission on Postsecondary Education (ACPE) to receive and analyze existing data from state entities through a statewide workforce and education related statistics program.

HB 221 also changes the law to permit the Department of Labor and Workforce Development to share Unemployment Insurance data for the purposes of the statistics program, as permitted in federal regulation, and contingent upon a written agreement with ACPE.

HB 221 is not at all about tracking or collecting data on individuals. It is about statistical outcomes. It is about taking a bird's eye view of spending results based on analyzing and aggregating data we already have to create outcomes statistics.

HB 221 will help policy makers in the following ways:

It provides a more secure method to transport data between agencies

It lowers costs to access and analyze information

It combines multiple processes into a highly secure, automated, and cost-effective process

It provides greater access to longitudinal information

It reduces the time and cost required to perform program outcomes reporting

Alaska spends more than \$2 billion annually on education and workforce training, but we do not know which programs produce trained Alaskans who are more like to remain in Alaska and contribute to our economy.

What is the return we receive on these huge investments?

HB 221 will allow for more meaningful assessment of program outcomes across K-12, postsecondary programs, and into the workforce.

And it has no additional cost to the state.

I would note that we will have invited testimony from Stephanie Butler, Executive Director of the Alaska Commission on Postsecondary Education, who will provide more detailed technical information about HB 221.

At this time, if it pleases the committee, my aide, George Ascott will provide a brief sectional analysis of the bill.

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GEORGE ASCOTT, STAFF, REPRESENTATIVE HARRIET DRUMMOND, introduced himself and read the sectional Analysis:

Hello and good afternoon Chairs Seaton and Foster, members of the House Finance Committee.

For the record, my name is George Ascott, staff to Representative Harriet Drummond. I am here to provide a brief sectional analysis to describe what actual changes will occur to state law under HB 221.

If you take a look at the bill you will notice it has five sections.

Section 1:

The first section of the bill is mostly existing statute and goes to the beginning of the third page.

Under existing law, the Alaska Commission on Postsecondary Education is allowed to adopt regulations to administer financial aid programs, institutional authorization functions, and interstate compacts - which includes the collection and confidentiality of data.

HB 221 creates additional authority for the Commission to adopt regulations. These are:

Regulations relating to the collection and analysis of K-12 data, as approved by the Department of Education and Early Development, under its current authority to collect that information (Page 2, Line 2)

AND regulations for a new purpose: Administering a statewide workforce and education related statistics program (Page 3, Line 4)

Section 2: (All new statutory language)

Beginning Page 3, line 6 - is all new statutory language. Currently the law allows the Commission to collect data and share it with the governor, the legislature and other state and federal agencies, but they don't have clear authority to maintain and analyze the data.

Section 2 of HB 221 changes the law by adding three new subsections so that:

(b) The commission can maintain a database for the purposes of administering a statewide workforce and education related statistics program and enter into cooperative agreements regarding education and employment, with other agencies

(c) The Commission is required to remove personally identifiable information before it is entered into the database, and it may not provide personally identifiable information to the Federal Government

(d) A "unit record" is defined as information pertaining to an individual

Section 3: (All new statutory language)

Currently the Department of Labor & Workforce Development is not allowed to share data regarding unemployment insurance with other agencies.

Beginning on page 3 line 22, Section 3 changes the law to permit the Department of Labor and Workforce Development to share such data for the purposes of the statewide workforce and education related statistics program, as permitted in federal regulation, and contingent upon a written agreement with ACPE

Section 4:

Beginning on page four, line five. This makes it clear that the department of Labor and workforce development can share data obtained before the effective date of HB 221.

Section 5:

The section is just an immediate effective date.

With that, I will turn the microphone over to Stephanie Butler, Executive Director of ACPE. Thank you, Representatives Seaton and Foster, members of the committee.

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STEPHANIE BUTLER, EXECUTIVE DIRECTOR, ALASKA COMMISSION ON POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT, read a prepared statement:

Thank you, Mr. Chair, Mr. Ascott.

For the record, this is Stephanie Butler, Executive Director at ACPE. With me in the audience is Kerry Thomas, Operations Director at ACPE.

Some very brief background information: ACPE is charged with providing Alaska's citizens with tools

and resources to access and experience success in college and career training. Some of the ways we accomplish that are by managing the Alaska Performance Scholarship and Alaska Education Grant programs (APS and AEG), offering low-cost student loans, among other activities.

But are these the most effective ways to increase access and success? In this time of severely constrained resources, are we using the state's increasingly limited resources in ways that produce the best return for our students and for the Alaska public to whom we are responsible?

What is the return on investment in programs like the APS and the AEG?

The things that we can currently easily measure, like the number of program participants or even the numbers of program completers, cannot answer that return on the public investment question. To answer that ROI question, we need to know the long-term outcomes across different public sectors, such as:

Alaska spends approximately \$5 million annually on the Alaska Education Grant program. Do recipients graduate at higher rates than non-recipients? Does it help recipients enter the workforce sooner than similarly situated non-recipients? Do they earn more?

Or earlier in this session we had questions about whether loan forgiveness was successful, given the costs of that forgiveness. If we had a cross-sector outcomes database back then, we could know: Did students who took forgivable loans complete their degrees and return to Alaska at rates higher than other students? And did they work in Alaska? Did they stay in Alaska at higher rates than others?

In other words, are we spending public money in smart ways that make the most difference for students, and for the Alaska economy? The University and DEED indicate they want to answer similar questions about their programs.

The challenge to answering questions like this is not that we don't have the data: we do have it. The

challenge is that the data is currently housed in separate transactional databases. Each time we have a question like this, about long-term outcomes, agencies have to put together a data-sharing MOU, extract the relevant data from our various systems, match it and link it up, and then get the answers to the questions. And in accordance with federal law, once we have those answers to our questions, we have to destroy the linked data to protect individual privacy, which means if we have a follow-up question, the process has to start again. This process can be inefficient and expensive, and it can result in the need to duplicate identifiable citizen data.

HB 221 streamlines this process by allowing the Department of Labor to share unit-level employment and wage records with the Outcomes database, which is maintained by ACPE. This database securely houses de-identified linked statistics from ACPE, from UA, from DEED, and from Labor, but right now only training and GED data from Labor. With HB 221, it would also house the employment and wage record statistics. Once data is linked, personally identifiable information (PII) is stripped off, and that PII is never stored with the resulting statistics.

What this Outcomes database offers us is a faster, more cost-efficient way to do longitudinal outcomes assessments, and a key part of doing this is minimizing the proliferation of personally identifiable data. Also, it allows us to retain the de-identified linked statistics, so we can respond to follow-up questions or efficiently perform future analyses.

As previously noted, Alaska currently spends more than \$2 billion dollars annually on our K-12, postsecondary, and technical/workforce training, but we don't currently have a database that can fully provide efficient, cost-effective and secure statistics to the Legislature and the Administration on the value received from these public investments.

HB 221 enhances Alaska's ability to provide that feedback in several ways:

It allows the Department of Labor to provide unit-level employment and wage data to the Outcomes database for longitudinal analysis, something 28 other states already do,

It prohibits sharing of any unit-level data from the Outcomes database with the federal government,

It codifies in law that data in the database must be de-identified and sets out what that means, and

It clarifies ACPE's authority to maintain longitudinal statistics of this nature.

HB 221 does not commit any funding for these purposes; it just allows for the inclusion of these additional statistics in the Outcomes longitudinal database, which was created a few years ago under a federal grant.

Specific to funding, you will note that this bill has a zero fiscal note. The Outcomes database was created to accept the workforce data, so there is no new cost there.

Longer term, it is our intent to seek resources, potentially through another federal grant, to provide outcomes reports once these additional statistics are available in the Outcomes database. In this time of such severely constrained resources, we believe there is significant opportunity to attract grant dollars to this project, recognizing that tough budget times make it even more important than ever that policy-makers be able to access the cross-sector statistics needed to be able to evaluate program outcomes.

I would also like to be clear for the record that we do not anticipate that we would be able to produce these reports and outcomes analyses immediately upon passage of HB 221 since we would need funding to use the data and do those analyses; however, HB 221 does get us a step closer - a very important step closer, and a step without additional cost - to being able to provide you with those kinds of outcomes analyses, as we seek grant or other funds.

In summary, the long-term goal is to have the ability to quickly and easily - and inexpensively - produce reports like the APS outcomes report to look at the outcomes of other programs, K-12 programs as well as collegiate and career training programs and provide you with the information to know not just how much the program costs, but what the return is on that cost investment.

Thank you for this opportunity to present this information. I hope it has been useful to you, and I would be happy to respond to any questions.

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Co-Chair Foster asked about additional testifiers.

Ms. Butler responded that she would engage additional testifiers if there were technical questions from the members.

Vice-Chair Gara liked the bill. He had a couple of concerns. He wanted to make sure the data was not misused. He relayed that folks from broken homes tended to get financial aid or needs-based loans and suggested that first-generation college students were not as successful as those students whose parents had gone to college. He was concerned that the statistics would be used in a way where it was determined that students with less resources wouldn't get help after not doing as well as those from traditionally college-bound homes.

Ms. Butler responded stated that the statistical process compared "apples to apples," and compared high needs students with other high-needs students in the program.

Vice-Chair Gara appreciated Ms. Butler's answer. He provided a hypothetical scenario, and considered the lower wages for those pursuing careers in writing or art. He wondered about the intrinsic value in education that was not related to money and wages. He reiterated that he wanted to make sure the data was not misused.

Ms. Butler anticipated the comparison of groups at fairly high levels, looking at college graduates compared to other college graduates. She pondered that the more granular the

data was at the college major level; the better the data would show greater earning power of certain majors. She stated it would be difficult to not consider the question of one's college major being a personal choice.

Representative Thompson had talked with several people in labor and carpentry jobs from his district over the previous weekend. He was curious about the numbers of people in the state that graduated from colleges versus technical schools and apprenticeship programs. He noted the wage differences for various pathways. He wondered how to encourage more kids to go to vocational programs. He stated that the carpenters union was looking for young people to join its apprenticeship program.

Ms. Butler thought the proposed database could aid in answering Representative Thompson's question. She referenced a counselor that wanted wage statistics from different occupations, but there was no such information specific for Alaskans. She spoke of using the database to provide to counselors and teachers with additional tools.

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Representative Wilson stated she had been on the ACPE board and asked about the Answers Program that had been funded with \$4 million in 2012.

Ms. Butler responded that there was a 2012 grant used to create the Answers Program, but there had not been additional funding, so the program did not take off. She relayed that the proposed database had been created under the program.

Representative Wilson asked how the proposed database would be different than the Answers Program.

Ms. Butler stated that the Answers Program had been a much broader scoped proposal that would have included research and analysis, as well as online databases with dashboards and informational products for parents. The bill proposed a much smaller scope database.

Representative Wilson thought the proposal was talking about adults that might be receiving unemployment. She wondered about permission to use the data, and if there was an opt-out provision.

Ms. Butler answered there was not currently an opt-out box on any paperwork. She elaborated that a provision to opt-out would require identification of individuals, and the primary premise of the database was that the information was de-identified.

Representative Wilson suggested that if there was an opt-out box, the data would not be present in the first place.

Ms. Butler replied in the affirmative. She added that individuals would need to be identified in order to be opted out of the database.

Representative Wilson noted that there was a zero fiscal note. She asked about potential funding for utilization of the proposed database.

Ms. Butler did not have exact figures but relayed that the department had been encouraged to apply for federal grants.

Representative Wilson asked for approximate numbers. She noted the state had spent \$4 million on a program that had been discontinued due to a lack of funding. She asked if there was a target amount for funding the program.

Ms. Butler would follow up with the information.

Representative Kawasaki asked about what information would be received from the Unemployment Insurance Division in the Department of Labor and Workforce Development (DLWD).

[4:04:00 PM](#)

Ms. Butler responded that information on wage records (through the unemployment database) would be gathered in order to identify the amount being earned in various categories.

Representative Kawasaki asked for verification the only additional information from DLWD would be wage and hour information.

Ms. Butler responded in the affirmative.

Representative Kawasaki asked for the reason the department needed the information up front. He wanted to reduce the number of places the personal information was seen.

Ms. Butler answered that the proposed database would reduce the number of times the information needed to be passed around. For research related to workforce outcomes, currently the information had to be extracted from various systems and matched. One goal would be a long-term database free from personally identifiable information. She noted that there were a number of reports that could be produced in future years if the bill passed - at a lower cost and without having to link personally identifiable information.

Representative Guttenberg shared that he was a retired laborer. He was always amazed that people who could not do math problems were able to do complex practical field work. He spoke about merging databases. He asked how much data was mergeable. He thought merging databases was problematic if everyone was not aligned and could create a huge cost. He asked for greater detail.

Ms. Butler answered that the commission would only link select elements that would be relevant to measuring outcomes from each data systems. She stated that all the work to make the databases communicate had been done by the grant mentioned by Representative Wilson. A grant used in the future would be to do the research and analysis to use the data to develop the statistics to provide outcomes information.

[4:08:08 PM](#)

Representative Guttenberg wondered why the state had not been doing the analysis before.

Co-Chair Foster OPENED public testimony.

DOUG WALRATH, DIRECTOR, NORTHWESTERN ALASKA CAREER AND TECHNICAL CENTER, NOME (via teleconference), testified in support of the legislation. He discussed data reporting that neglected to account for the impact of teaching students engaged and in school. He detailed that 75 percent to 80 percent of his organization's high school training population were students enrolled in grades 9, 10, and 11. Employment measures that were taken months after the training could present a skewed view of success as the data

was missing one-third of the subjects. He reported that rural Alaska graduation rates tended to track lower. He considered that the bill was a tool for measurement purposes tracking employment. He thought the database could provide tracking from exploration-level training leading to certificated courses leading directly to employment. The bill protected identifiable student information and would be valuable.

Representative Wilson asked if the program kept statistics of students in the Northwestern Alaska Career and Technical Center.

Mr. Walrath answered that the center kept records for purposes of programming. The program had a small staff and it was difficult to follow up on all former trainees. The bill would provide a tool to extend beyond the capability of the center.

Representative Wilson thanked Mr. Walrath for his work.

[4:12:54 PM](#)

Co-Chair Foster CLOSED public testimony.

Representative Wilson asked what information unions used to follow students.

Ms. Butler answered that generally unions engaged in tracking but did not know what specific elements were considered.

Representative Wilson would appreciate the information. She referenced statistics from DLWD. She wondered about the data unions gathered to show success of apprenticeships. She asked about other issues unions might have finding students to do apprenticeships.

Co-Chair Seaton appreciated the bill and the Alaska Performance Scholarship report in the packets (copy on file). He thought the information could be helpful in identifying effective programs. He referenced page 3 of the bill and asked about the removal of personal information from the database. He wanted to know if the bill was proposing to look at key elements. He asked about the meaning of "unit data."

Ms. Butler responded that "unit data" simply meant data that referred to a specific individual.

Co-Chair Seaton tried to understand how unit data would be organized.

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Ms. Butler explained that as the unit data was received, the personally identifiable information would be stripped off, and the remaining statistics that would be used would be assigned a random number and moved into a separate database. She confirmed that an individual's personally identifiable information would never be stored in the same database as the statistics being used for outcomes reporting.

Representative Guttenberg reiterated what he thought Ms. Butler was saying. He wondered about the assignment of an identifiable number. He wondered how new data would be identified to merge with existing data.

Ms. Butler indicated that Representative Guttenberg had the right idea. She indicated that there was staff available to provide additional detail.

Representative Guttenberg was fine.

Vice-Chair Gara MOVED to report HB 221 out of Committee with individual recommendations and the accompanying fiscal note.

Representative Wilson OBJECTED. She would be offering an amendment.

Co-Chair Foster indicated that amendments were due Wednesday, April 2nd by 5:00 PM.

Vice-Chair Gara WITHDREW his motion.

Co-Chair Foster thanked the bill sponsor.

HB 221 was HEARD and HELD in committee for further consideration.

#hb400

HOUSE BILL NO. 400

"An Act relating to the collection of fees by the Department of Public Safety for fire and explosion prevention and safety services."

[4:20:17 PM](#)

Co-Chair Foster informed that if it was the will of the members, it would pass HB 200 out of committee.

REPRESENTATIVE JONATHAN KREISS-TOMKINS, SPONSOR, introduced himself.

CATHY SCHLINGHEYDE, STAFF, REPRESENTATIVE JONATHAN KREISS-TOMKINS, introduced herself.

Representative Kreiss-Tompkins indicated the bill was one page and was simple. There had been a statutory change recommendation in a House Finance Subcommittee under the auspices of the House Community and Regional Affairs Committee. The recommendation would try to help the Department of Public Safety streamline its operations, operate more efficiently, and cut down on Unrestricted General Fund (UGF) spending. The UGF would be replaced with user fees or Designated General Funds (DGF). The state Fire Marshal's Office had identified the opportunity, and the subcommittee unanimously agreed the idea merited exploration. The bill had passed the House State Affairs committee in four hearings, after consideration of multiple amendments that had not passed.

Representative Wilson read from page 2 of the fiscal note:

Fire Inspections - \$50 per hour with a one-hour minimum. DFLS anticipates the average inspection to take two hours. The goal is to accomplish 1,500 inspections per year; but currently 500 is more likely. Considering 500 two-hour inspections per year at \$50 per hour, the estimated annual revenue would be \$50,000.

Representative Wilson asked what happened to the additional 1,000 properties that would not receive an inspection. She wondered if properties on the road system were more likely to receive inspections.

Representative Kreiss-Tompkins deferred to the state fire marshal.

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DAVID TYLER, DIVISION OF FIRE AND LIFE SAFETY, DEPARTMENT OF PUBLIC SAFETY, ANCHORAGE (via teleconference), explained that the \$50 per hour charge was arrived at after considering potential outcomes. He discussed inspection rates and size of properties. He acknowledged that properties on the road system received inspection more frequently as there was easier access. Increased funding would allow the inspectors to reach more communities so that inspections would be more equitable across the state.

Representative Wilson asked about properties not on the road system that needed inspection.

Mr. Tyler responded that the properties not being inspected and would not be charged a fee.

Representative Wilson asked him to tell her about the places that were not currently being inspected and would be subject to a \$50 per hour fee.

Mr. Tyler replied that hotels, lodges, and large assembly areas such as auction houses and schools would be in the category.

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Representative Wilson supported the bill but was concerned with justifying the charging of fees. She wondered how the state would keep up with the demand. She thought it would be difficult to justifying the fees.

Mr. Tyler indicated that by charging the fees the department would be better able to reach the outlying areas to do additional inspections and hit the goal of 1,500 structures per year.

Representative Wilson asked if \$50 per hour would provide enough money for the travel to outlying areas.

Representative Wilson did not want to charge more to the communities in rural area. She discussed fees. She asked if the bill was governed by square footage rather than by hour.

Mr. Tyler thought a flat rate for square footage was a much fairer way of billing for the service.

[4:29:30 PM](#)

Representative Thompson noted that the City of Fairbanks had its own building department, codes, and fire department which completed inspections. He noted that the fire department certified building plans. He suggested that there were private companies in Fairbanks that could inspect fire extinguishers and fire extinguisher systems. He asked if the state was adding another layer of charges to cities that had existing codes and departments.

Mr. Tyler explained that the City of Fairbanks was a deferred jurisdiction and did all the work itself; as did the cities of Juneau and Anchorage. It was his goal for any community (that was able) to do the inspection work itself. He thought a local community could do a much better job of accomplishing the work. He relayed that the private companies that did the inspections mentioned by Representative Thompson were certified by the division.

Representative Kawasaki asked about the ability to waive fees for non-profits such as churches.

Mr. Tyler believed bill was worded so that it was possible to waive the fees.

Representative Kawasaki stated that the bill would allow the director the ability to waive the fees.

[4:33:16 PM](#)

Representative Guttenberg did not believe the state should simply do inspections because it could charge for it. He asked if there was a statistical analysis on prevention. He mentioned non-conforming properties in rural Alaska.

Mr. Tyler reported that from 2001 to 2007 there had been 76 uncontained fires in public schools with a total monetary loss in excess of \$50 million. Fires in Hooper Bay and Talkeetna schools had resulted in total losses. In FY 08, the division had requested and received a \$105,000 increment to get the fire inspections current. From 2008 to 2012, there was 47 uncontained fires in school with a total monetary loss of \$1.4 million. Since 2012 there had been

staffing issues and a reduction in travel funding. Since 2013 the total fire loss had added up to \$7 million. He emphasized that the inspections made a difference through education and elimination of hazards.

Representative Tilton asked about the permit period for fire systems technician permits and fire extinguisher technician permits. She wondered if the building inspections only required in an initial inspection or a longer term.

Mr. Tyler responded that the division's goal was to do inspections every 2 years. He elaborated that the industry standard was to do inspections every year but did not think it was realistic for Alaska.

Representative Tilton asked how many inspections were done in the previous year.

Mr. Tyler reported that the division had done about 213 inspections the previous year, but his department had been short by 2 deputy fire marshals. He expected to complete close to 500 inspections in FY 18.

Representative Tilton wondered how many buildings there were that needed inspection, not including new construction.

Mr. Tyler estimated there was a little more than 3,000 structures the division was statutorily responsible to inspect.

Representative Wilson asked if the regulations were new.

Mr. Tyler replied that the statute that required the inspections was existing.

[4:37:42 PM](#)

Co-Chair Foster OPENED Public Testimony.

Co-Chair Foster CLOSED Public Testimony.

Vice-Chair Gara read FN 1 from the Department of Public Safety, OMB Component number 3051. The note was indeterminate. It was estimated that the bill would raise about \$84,000 of DGF through fees.

Representative Wilson indicated that for her it was not about the fees; but rather the amount of money spent after inspections were not done, resulting in fires and damage to schools. She hoped for further inspections to prevent fires.

Co-Chair Seaton MOVED to report HB 400 out of Committee with individual recommendations and the accompanying fiscal note.

There being NO OBJECTION, it was so ordered.

HB 400 was REPORTED out of committee with a "do pass" recommendation and with one previously published indeterminate fiscal note: FN1(DPS).

ADJOURNMENT

[4:40:33 PM](#)

The meeting was adjourned at 4:40 p.m.