

**ALASKA STATE LEGISLATURE
HOUSE RULES STANDING COMMITTEE**

April 16, 2018

2:01 p.m.

MEMBERS PRESENT

Representative Gabrielle LeDoux, Chair
Representative Matt Claman, Vice Chair
Representative Sam Kito
Representative Louise Stutes
Representative Mike Chenault
Representative David Eastman
Representative Lora Reinbold

MEMBERS ABSENT

Representative Charisse Millett (alternate)
Representative Chris Tuck (alternate)

COMMITTEE CALENDAR

CS FOR SENATE BILL NO. 37(FIN)

"An Act relating to the Board of Pharmacy; relating to the licensing of certain entities and inspection of certain facilities located outside the state; relating to drug supply chain security; creating a position of executive administrator for the Board of Pharmacy; and providing for an effective date."

- MOVED HCS CSSB 37(RLS) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SB 37

SHORT TITLE: PHARMA BD & STAFF; DRUG DISTRIB/MANUFACT

SPONSOR(s): SENATOR(s) GIESSEL BY REQUEST

01/25/17	(S)	READ THE FIRST TIME - REFERRALS
01/25/17	(S)	L&C, FIN
03/14/17	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
03/14/17	(S)	Heard & Held
03/14/17	(S)	MINUTE(L&C)
04/04/17	(S)	L&C AT 9:00 AM BELTZ 105 (TSBldg)
04/04/17	(S)	Heard & Held
04/04/17	(S)	MINUTE(L&C)
04/13/17	(S)	L&C RPT CS 3NR 1AM SAME TITLE
04/13/17	(S)	AM: COSTELLO

04/13/17 (S) NR: STEVENS, MEYER, GARDNER
 04/13/17 (S) L&C AT 9:00 AM BELTZ 105 (TSBldg)
 04/13/17 (S) Moved CSSB 37(L&C) Out of Committee
 04/13/17 (S) MINUTE(L&C)
 04/14/17 (S) FIN WAIVED PUBLIC HEARING NOTICE,RULE
 23
 04/15/17 (S) FIN AT 9:00 AM SENATE FINANCE 532
 04/15/17 (S) <Bill Hearing Canceled>
 04/16/17 (S) FIN AT 9:00 AM SENATE FINANCE 532
 04/16/17 (S) -- MEETING CANCELED --
 04/17/17 (S) FIN AT 9:00 AM SENATE FINANCE 532
 04/17/17 (S) Heard & Held
 04/17/17 (S) MINUTE(FIN)
 02/05/18 (S) FIN AT 9:00 AM SENATE FINANCE 532
 02/05/18 (S) Moved CSSB 37(FIN) Out of Committee
 02/05/18 (S) MINUTE(FIN)
 02/07/18 (S) FIN RPT CS 4DP NEW TITLE
 02/07/18 (S) DP: MACKINNON, BISHOP, STEVENS,
 MICCICHE
 02/14/18 (S) TRANSMITTED TO (H)
 02/14/18 (S) VERSION: CSSB 37(FIN)
 02/16/18 (H) READ THE FIRST TIME - REFERRALS
 02/16/18 (H) L&C, FIN
 02/16/18 (H) L&C REFERRAL REMOVED
 04/12/18 (H) FIN AT 1:30 PM ADAMS ROOM 519
 04/12/18 (H) Moved CSSB 37(FIN) Out of Committee
 04/12/18 (H) MINUTE(FIN)
 04/13/18 (H) FIN RPT 7DP 3NR 1AM
 04/13/18 (H) DP: GARA, ORTIZ, THOMPSON, GUTTENBERG,
 GRENN, SEATON, FOSTER
 04/13/18 (H) NR: WILSON, TILTON, PRUITT
 04/13/18 (H) AM: KAWASAKI
 04/16/18 (H) RLS AT 9:30 AM GRUENBERG 120

WITNESS REGISTER

MATT GRUENING, Staff
 Representative Louise Stutes
 Alaska State Legislature
 Juneau, Alaska

POSITION STATEMENT: Explained the changes that would be made
 under the proposed House committee substitute (HCS) to CSSB 37,
 Version 30-LS0191\T, Radford, 4/15/18.

ACTION NARRATIVE

[2:01:12 PM](#)

CHAIR GABRIELLE LEDOUX called the House Rules Standing Committee meeting to order at 2:01 p.m. Representatives Chenault, Kito, Stutes, Reinbold, Eastman, and LeDoux were present at the call to order. Representative Claman arrived as the meeting was in progress.

SB 37-PHARMA BD & STAFF;DRUG DISTRIB/MANUFACT

[Contains discussion of HB 231.]

[2:01:59 PM](#)

CO-CHAIR LEDOUX announced that the only order of business would be CS FOR SENATE BILL NO. 37(FIN), "An Act relating to the Board of Pharmacy; relating to the licensing of certain entities and inspection of certain facilities located outside the state; relating to drug supply chain security; creating a position of executive administrator for the Board of Pharmacy; and providing for an effective date."

[2:02:12 PM](#)

REPRESENTATIVE STUTES moved to adopt the proposed House committee substitute (HCS) for CSSB 37, Version 30-LS0191\T, Radford, 4/15/18, as the working document. There being no objection, Version T was before the committee.

[2:02:47 PM](#)

MATT GRUENING, Staff, Representative Louise Stutes, Alaska State Legislature, explained the changes that would be made under Version T, as shown in the explanation of changes [included in the committee packet], which read as follows [original punctuation provided]:

Section 8 on Page 6, lines 10 through 21:

Sec 16.43.020 Alaska Commercial Fisheries Entry Commission.

Subsection (a) is amended to reduce the number of commissioners appointed to the Commercial Fisheries Entry Commission (CFEC) from three to two. Subsection (b) is amended to specify that the chair of the commission shall serve as executive director and be responsible for and have authority over the internal administrative and personnel practices and procedures of the commission.

Section 9 on Page 6, lines 22 through 25:

AS 16.43.030.

Subsection (c) is amended to allow a single commissioner to exercise the powers and duties of the commission when there is a vacancy on the commission.

Section 10 on Page 6, lines 26 through 30:

AS 16.43.040 is amended to allow for a quorum of one commissioner if there is a vacancy on the commission.

Section 11 on Page 6, line 31 through Page 7, line 4:

AS 16.43.050 is amended with conforming language to clarify that the commission consists of two commissioners instead of three.

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Section 12 on Page 7, lines 5 through 9:

AS 16.43.060 is amended so that the member serving as chair will be paid a step in Range 27; adjusts the salary range from 27 to 24 for the other commissioner.

Section 13 on Page 7, lines 10 through 14:

AS 16.43.110 is amended by adding a new subsection that specifies that in the event of a 1-1 tie in an adjudicatory hearing, the original decision of the hearing officer will become the final administrative decision of the commission subject to review by the Superior Court.

Section 14 on Page 7, lines 15 through 20:

AS 16.43.960(d) is amended to allow for show cause hearings to be conducted before one commissioner if there is a vacancy on the commission.

Section 16 on Page 8, lines 11 through 15:

Adds an applicability clause to uncodified law that establishes that the salary change outlined in Section 12 of the bill will apply to commissioners appointed after the bill's effective date.

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MR. GRUENING noted two major changes when comparing Version T to the CSSB 37(FIN). He indicated that [Version T] would codify in statute that the chair shall serve as executive director. The other change would be to establish a pay range 27 for the commissioner serving as chair and range 24 for the other commissioner. He said that seems appropriate for the extra amount of work that would be given to these positions. He said the Commercial Fisheries Entry Commission (CFEC) would be

changed to increase efficiency, streamline the commission, and save the state "a considerable amount" [of money]. He said eliminating one of the three commissioners designated under current statute would have an immediate cost savings of \$187,000 annually. He relayed, "The bill does assign the executive director duties to the commissioner serving as chair, eliminating the need to hire another position, and it reduces the salary of the commissioner who is not serving as chair from range 27 to 24, which will result in an additional \$41,814 annually beginning in fiscal year 2022 (FY 22).

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REPRESENTATIVE EASTMAN referred to a previous version of the legislation, which he said was HB 231, and he recollected there was talk of unionizing some CFEC employees.

MR. GRUENING said that portion [of HB 231] was removed by [the House] Finance [Committee] and "they're going to stay in exempt status." He said, "Through discussions with the CFEC, the majority of the employees - or at least everyone that talked to people in Finance - decided that they really didn't want to go that route, and we felt like we were going to honor the ... wishes of the employees at the commission."

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REPRESENTATIVE STUTES added that CFEC employees were "provided with the appropriate personnel to describe the options of becoming unionized or not, and they unanimously chose not to."

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REPRESENTATIVE EASTMAN asked what is driving Section 14.

MR. GRUENING answered that in the case of a vacancy, hearings would still be conducted, even with only one commissioner.

[2:10:49 PM](#)

REPRESENTATIVE KITO said he understands the importance of getting CFEC working again. He said he would not object to the proposed legislation moving out of committee but expressed concern with regard to having the chair of the commission be the executive director. He said he is not sure how that would interface with employees being accountable to an appointed person. He suggested that in an effort to ensure consistency,

there might be a need to look at this issue again in a few years to determine whether there are adequate transition provisions for executive administration of the agency, for example, if there is a situation in which a commissioner has not served for very long and has not been able to get to the point where he/she is able to be the executive director.

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REPRESENTATIVE STUTES told Representative Kito to rest assured she would have one eye on the Commercial Fisheries Entry Commission as long as she is in the legislature.

[2:12:46 PM](#)

REPRESENTATIVE EASTMAN directed attention to proposed language in Section 8, which read as follows:

The member serving as chair also serves as executive director of the commission and, as executive director, is responsible for and has authority over the internal administrative and personnel practices and procedures of the commission.

REPRESENTATIVE EASTMAN asked, "Have we verified that there's no ... power of the commission being dealt with in that section? I see in Section 10 that a quorum is required to exercise any power of the commission. I just want to make sure there wasn't any overlap between these responsibilities which we're now giving to the executive director."

MR. GRUENING answered that he does not believe there is [any overlap]. He said he thinks the word "**internal**" indicates that "we're not talking about administrative practices that would involve an adjudicatory hearing - something to that nature - because that's not an internal proceeding."

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REPRESENTATIVE EASTMAN commented that he did not think the commission was "broken" from a procedural standpoint by having three commissioners. He said, "Now, by moving down to two, I think we're seeing some of ... the logical difficulty when you only have an even-number[ed] commission or you might have a vacancy and only have one commissioner." He expressed concern that the effort to save costs by reducing the number of commissioners would have unintended consequences.

MR. GRUENING responded that the decision to cut back from three to two commissioners was made after discussion with the Office of the Governor, the United Fishermen of Alaska, and then commissioners Bruce Twomley and Fate Putnam. He stated, "With the workload going down over the commission and the fact that the position ... [had] been vacant for some time anyway, it was viewed that the elimination of that in statute would be a cost savings that - with some adjustments in the bill - would allow them to continue and actually increase their efficiency without having that extra \$187,000 per year price tag attached to it."

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REPRESENTATIVE CHENAULT said he does not think the commission had anything to do with the amount of members that were on the board. He indicated that the fault lies not in the board, but in the current governor at that time.

[2:16:04 PM](#)

REPRESENTATIVE CLAMAN moved to report HCS CSSB 37, Version 30-LS0191\T, Radford, 4/15/18, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HCS CSSB 37(RLS) was reported out of committee.

[2:16:31 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Rules Standing Committee meeting was adjourned at 2:17 p.m.