

**ALASKA STATE LEGISLATURE**  
**HOUSE STATE AFFAIRS STANDING COMMITTEE**

February 15, 2018

3:18 p.m.

**MEMBERS PRESENT**

Representative Jonathan Kreiss-Tomkins, Chair  
Representative Gabrielle LeDoux, Vice Chair  
Representative Chris Tuck  
Representative Adam Wool  
Representative Chris Birch  
Representative DeLena Johnson  
Representative Gary Knopp

**MEMBERS ABSENT**

Representative Andy Josephson (alternate)  
Representative Chuck Kopp (alternate)

**COMMITTEE CALENDAR**

HOUSE BILL NO. 293

"An Act relating to powers of the Alaska Police Standards Council; and relating to background checks for admission to police training programs and certification as a police officer."

- MOVED HB 293 OUT OF COMMITTEE

HOUSE BILL NO. 224

"An Act relating to reemployment of persons who retire under the teachers' retirement system."

- MOVED CSHB 224 (STA) OUT OF COMMITTEE

HOUSE JOINT RESOLUTION NO. 21

Urging the federal government to respect the authority of the state to regulate marijuana use, production, and distribution and to honor previous federal guidance on marijuana policy; and urging the federal government to reconsider its listing of marijuana as a schedule I controlled substance.

- MOVED SSHJR 21 OUT OF COMMITTEE

HOUSE BILL NO. 319

"An Act relating to criminal background checks for marijuana establishment registrations and renewals; and providing for an effective date."

- MOVED CSHB 319(STA) OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: HB 293

SHORT TITLE: BACKGROUND CHECKS FOR POLICE & TRAINING

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

01/19/18	(H)	READ THE FIRST TIME - REFERRALS
01/19/18	(H)	STA, JUD
01/30/18	(H)	STA AT 3:00 PM GRUENBERG 120
01/30/18	(H)	Heard & Held
01/30/18	(H)	MINUTE(STA)
02/01/18	(H)	STA AT 3:00 PM GRUENBERG 120
02/01/18	(H)	Heard & Held
02/01/18	(H)	MINUTE(STA)
02/15/18	(H)	STA AT 3:15 PM GRUENBERG 120

BILL: HB 224

SHORT TITLE: REEMPLOYMENT OF RETIRED TEACHERS & ADMIN

SPONSOR(s): JOHNSTON

04/10/17	(H)	READ THE FIRST TIME - REFERRALS
04/10/17	(H)	STA, FIN
04/18/17	(H)	STA AT 3:00 PM GRUENBERG 120
04/18/17	(H)	Heard & Held
04/18/17	(H)	MINUTE(STA)
04/25/17	(H)	STA AT 3:00 PM GRUENBERG 120
04/25/17	(H)	Heard & Held
04/25/17	(H)	MINUTE(STA)
02/08/18	(H)	STA AT 3:00 PM GRUENBERG 120
02/08/18	(H)	Heard & Held
02/08/18	(H)	MINUTE(STA)
02/15/18	(H)	STA AT 3:15 PM GRUENBERG 120

BILL: HJR 21

SHORT TITLE: FEDS RESPECT STATE REG OF MARIJUANA

SPONSOR(s): GUTTENBERG

04/16/17	(H)	READ THE FIRST TIME - REFERRALS
04/16/17	(H)	JUD
05/12/17	(H)	STA REPLACES JUD REFERRAL
05/12/17	(H)	BILL REPRINTED 5/12/17

05/16/17 (H) STA AT 3:00 PM GRUENBERG 120  
 05/16/17 (H) -- MEETING CANCELED --  
 02/05/18 (H) SPONSOR SUBSTITUTE INTRODUCED  
 02/05/18 (H) READ THE FIRST TIME - REFERRALS  
 02/05/18 (H) STA  
 02/13/18 (H) STA AT 3:15 PM GRUENBERG 120  
 02/13/18 (H) Heard & Held  
 02/13/18 (H) MINUTE (STA)  
 02/15/18 (H) STA AT 3:15 PM GRUENBERG 120

BILL: HB 319

SHORT TITLE: RENEW MARIJUANA LICENSE:BACKGROUND CHECKS  
 SPONSOR(s): JOSEPHSON

01/31/18 (H) READ THE FIRST TIME - REFERRALS  
 01/31/18 (H) STA, JUD  
 02/13/18 (H) STA AT 3:15 PM GRUENBERG 120  
 02/13/18 (H) Heard & Held  
 02/13/18 (H) MINUTE (STA)  
 02/15/18 (H) STA AT 3:15 PM GRUENBERG 120

**WITNESS REGISTER**

ROBERT GRIFFITHS, Executive Director  
 Alaska Police Standards Council (APSC)  
 Department of Public Safety (DPS)  
 Juneau, Alaska

**POSITION STATEMENT:** Answered questions during the hearing on HB 293.

PETER HOEPFNER  
 Cordova School Board  
 Cordova, Alaska

**POSITION STATEMENT:** Testified in support of HB 224.

SHAWN ARNOLD, Superintendent  
 Nome Public Schools (NPS)  
 Nome, Alaska

**POSITION STATEMENT:** Testified in support of HB 224.

PATRICK MAYER, Superintendent  
 Wrangell Public Schools  
 Wrangell, Alaska

**POSITION STATEMENT:** Testified in support of HB 224.

LIZ REXFORD, Staff  
 Representative Jennifer Johnston

Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented the committee substitute (CS) for HB 224, Version O, on behalf of Representative Johnston, prime sponsor.

REPRESENTATIVE JENNIFER JOHNSTON  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions during the hearing on the committee substitute (CS) for HB 224, Version O, as prime sponsor.

REPRESENTATIVE DAVID GUTTENBERG  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Testified and answered questions during the hearing on HJR 21, as prime sponsor.

REPRESENTATIVE ANDY JOSEPHSON  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Testified during the hearing on HB 319, as prime sponsor.

MEGAN HOLLAND, Staff  
Representative Andy Josephson  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions during the hearing on HB 319 on behalf of Representative Josephson, prime sponsor.

ERICA MCCONNEL, Director  
Alcohol & Marijuana Control Office (AMCO)  
Department of Commerce, Community & Economic Development (DCCED)  
Anchorage, Alaska

**POSITION STATEMENT:** Answered questions during the hearing on HB 319.

#### **ACTION NARRATIVE**

[3:18:31 PM](#)

**CHAIR JONATHAN KREISS-TOMKINS** called the House State Affairs Standing Committee meeting to order at 3:18 p.m. Representatives Tuck, Wool, Birch, Johnson, Knopp, and Kreiss-

Tomkins were present at the call to order. Representative LeDoux arrived as the meeting was in progress.

**HB 293-BACKGROUND CHECKS FOR POLICE & TRAINING**

[3:19:27 PM](#)

CHAIR KREISS-TOMKINS announced that the first order of business would be HOUSE BILL NO. 293, "An Act relating to powers of the Alaska Police Standards Council; and relating to background checks for admission to police training programs and certification as a police officer."

[3:20:28 PM](#)

REPRESENTATIVE WOOL asked for the number of village police officers (VPOs) in Alaska.

[3:20:54 PM](#)

ROBERT GRIFFITHS, Executive Director, Alaska Police Standards Council (APSC), Department of Public Safety (DPS), referred to his letter dated 1/31/18, included in the committee packet, and said that there are seven VPOs actively enrolled with APSC, but APSC is aware that there are many more who are not in compliance with the regulations.

[3:21:37 PM](#)

REPRESENTATIVE KNOPP stated that he is uncomfortable with HB 293. He expressed that he was unclear on the status of VPOs and what entity employs them. He mentioned there being seven actively enrolled VPOs and 138 communities that potentially would be affected. He offered that his concern is that the state would be engaging in a recruitment program that it cannot afford.

[3:22:47 PM](#)

REPRESENTATIVE WOOL moved to report HB 293 out of committee with individual recommendations and the accompanying zero fiscal notes. There being no objection, HB 293 reported from the House State Affairs Standing Committee.

**HB 224-REEMPLOYMENT OF RETIRED TEACHERS & ADMIN**

[3:23:20 PM](#)

CHAIR KREISS-TOMKINS announced that the next order of business would be HOUSE BILL NO. 224, "An Act relating to reemployment of persons who retire under the teachers' retirement system."

[3:23:45 PM](#)

CHAIR KREISS-TOMKINS opened public testimony on HB 224.

[3:24:16 PM](#)

PETER HOEPFNER, Cordova School Board, testified that schools throughout Alaska have positions that they are unable to fill, particularly the hard-to-fill teaching positions in special education and high school mathematics and science. He said that this is true both in urban and rural Alaska. He stated that the number of teachers attending the Alaska Teacher Placement (ATP) Job Fair has dropped dramatically. In 2014, there were 250 candidates; in 2017, there were only 211 candidates with 850-900 open positions, including janitors and nurses.

MR. HOEPFNER relayed that the main reason teachers come to Alaska is for an "Alaskan experience." Salaries are not high; there are no retirement benefits; and there is a nationwide shortage of teachers. He reported that the Texas teacher salary starts at \$56,000 for someone with a bachelor's degree and no experience. Most Alaska districts cannot offer that level of pay.

MR. HOEPFNER offered that the proposed legislation is not a "silver bullet" to filling teacher positions but one more tool in the toolbox to put a teacher in front of students in every classroom. He maintained that the proposed amendments - requiring districts to try to fill positions with [permanent] teachers and allowing a contract for only one year - are amenable to school districts. Teachers are contracted currently for only one year.

MR. HOEPFNER relayed that HB 224 is supported by the Association of Alaska School Boards (AASB) resolution 4.5, entitled "Addressing the Teacher, Specialist and Administrator Shortage," adopted in 1999 and resolution 4.10, entitled "Urging the State of Alaska to Reinstate the Retire-Rehire Program," adopted in 2008.

MR. HOEPFNER added that the revised fiscal note for HB 224 shows minimal [financial] impact to the state.

3:27:08 PM

REPRESENTATIVE TUCK asked whether there is a possibility that more teachers would choose to come to Alaska, if salaries and retirement benefits improved.

MR. HOEPFNER responded that the changes in the retirement system, the salaries, and flat funding for education over the years has resulted in Alaska being unable to compete with other states. He mentioned that moving to a rural area can be a sacrifice for someone. He maintained that improving salaries and retirement benefits would be one way to increase recruitment to Alaska.

REPRESENTATIVE TUCK asked about the practice of "pink slipping" teachers year after year; last year the state budget was not passed until June 22. He asked how that affected the Cordova School District (CSD).

MR. HOEPFNER answered that the district hires teachers and pays to bring them to the community; giving a teacher a pink slip puts the teacher in a terrible position; and when the teacher does not know if he/she will have a job in the fall, it takes a toll on the individual. He said that it is a big issue and that he appreciates both SB 131 and HB 287 to ensure funding for schools.

REPRESENTATIVE TUCK asked Mr. Hoepfner whether his district lost teachers from the pink slip issue alone.

MR. HOEPFNER replied that CSD has not. He said that 82 percent of its staff are at the top of the pay scale, but there has been a large turnover of younger teachers. He maintained that the district tries to hire with long-term sustainability of a position in mind.

3:30:07 PM

SHAWN ARNOLD, Superintendent, Nome Public Schools (NPS), testified that he is in strong support of HB 224; it is a tool that will help school districts at a time when they need help in attracting effective educators. He offered what he called a "boots on the ground" perspective: The rural districts struggle more and more with the fewer applicants for teaching positions; the proposed legislation would help particularly in filling specialist positions - special education teachers and

counselors. As an example, NPS had three positions with no applicants prior to the school year; for a district with only 54 teachers, that had an enormous impact. He stated that two of the positions - special education teacher and junior high school counselor - remained unfilled throughout the year.

MR. ARNOLD relayed that Nome is a great community; many educators stay there after retiring; however, they are unwilling to return to the school district to provide services, because doing so might compromise their retirement benefits. He mentioned that even having them come back part time would help the district.

MR. ARNOLD asserted that the proposed legislation would not solve all the problems with the teacher shortage crisis but would help in the rural areas.

[3:33:02 PM](#)

REPRESENTATIVE TUCK asked for the average age of the NPS teacher workforce.

MR. ARNOLD replied that the average age about four years ago was about 50; the average tenure of teachers was about 13 years. He said that there has been a trend towards lower ages and lower tenures. He relayed that NPS has more teachers under Tier 1 and Tier 2 of the Teachers' Retirement System (TRS); without an incentive to stay 20 or 25 years, there is an increasing number of teachers who stay for a while to get experience then take their experience to a Lower 48 teaching position. He said that within a few short years, the average age has decreased to about 40.

REPRESENTATIVE TUCK asked what the reduction in the average tenure has been?

MR. ARNOLD responded that the average tenure in his district is now about 10 years. He said that NPS used to have 60 teachers and now has 54 teachers. He added that teachers used to stay 20-25 years, but now there is more movement and transition among teachers.

[3:35:21 PM](#)

PATRICK MAYER, Superintendent, Wrangell Public Schools, testified that he is president-elect of the Alaska Superintendents Association (ASA). He stated that ASA is in

strong support of HB 224; it is a mechanism that would help school districts at a time when they need immediate help to attract quality educators. He relayed that he is aware that the proposed legislation would not solve all the challenges facing school districts, but it can provide some relief. He said that HB 224 would allow for the reemployment of retired educators to help districts fill vacancies; it is a necessary tool to meet school district personnel needs in both urban and rural districts.

MR. MAYER relayed that the proposed legislation is vital, because Alaska has a critical shortage of educators, principals, and superintendents, and is experiencing high turnover rates. He stated that the ASA members make hiring decisions in each district and deal directly with the challenges of a diminished applicant pool. He said that the [2018] Joint Position Statements drafted by the Alaska Council of School Administrators (ACSA), included in the committee packet, identified retire rehire as its top priority; superintendents and principals to varying degrees manage to find themselves in the position of having to provide a near-term hire. He stated that the flexibility provided by HB 224 would allow options that benefit students. He asked for support of HB 224.

[3:37:36 PM](#)

CHAIR KREISS-TOMKINS closed public testimony on HB 224.

[3:37:49 PM](#)

REPRESENTATIVE WOOL moved to adopt the committee substitute (CS) for HB 224, Version 30-LS0759\0, Wayne, 2/13/18, as the working document. There being no objection, Version 0 was before the committee.

REPRESENTATIVE TUCK objected for the purpose of discussion.

[3:38:31 PM](#)

LIZ REXFORD, Staff, Representative Jennifer Johnston, Alaska State Legislature, on behalf of Representative Johnston, prime sponsor of HB 224, relayed that under Version 0, three changes were made to the original version of the proposed legislation. The first change is that a school district must advertise a position for ten business days and actively recruit to fill the position with someone other than a retired teacher, before considering a retired teacher.

MS. REXFORD stated that the second change was the insertion of new language on page 2, lines 8-9, which read: "A contract for reemployment under (a) of this section may not exceed 12 consecutive months."

MS. REXFORD related that a subsection was added on page 2, lines 13-14, which states that the proposed legislation does not apply to the rehire of a member who is eligible for restoration of tenure rights under AS 14.20.165. She added that AS 14.20.165 addresses the renewal of tenure for a member who is retired due to disability but has rehabilitated.

[3:39:43 PM](#)

REPRESENTATIVE KNOPP referred to the ten-day advertising period and pointed out that the proposed legislation stipulates that a person cannot be hired within 90 days if 62 years of age. He asked the purpose of the first amendment considering a teacher must be retired for 90 days prior to rehire. He stated that his assumption is that the district would have advertised for the position already.

MS. REXFORD answered that to be considered for rehire, the member must be retired for a certain number of days or months as stated in the proposed legislation; the minimum length of time the position must be advertised is ten days.

[3:41:11 PM](#)

REPRESENTATIVE JENNIFER JOHNSTON, Alaska State Legislature, responded that the change clarifies that the position isn't one that would go directly to a retired teacher, but that the district has put due diligence into hiring available teachers.

[3:41:35 PM](#)

REPRESENTATIVE TUCK referred to the 2/13/18 memorandum (memo) from Dan Wayne, Attorney, Legislative Legal and Research Services, included in the committee packet, regarding a potential conflict between section 1 of Version 0 and statute. The memo read in part as follows [original punctuation provided]: "To prohibit a reading of subsections (c) and (d) of the bill's sec. 14.20.136 as limitations on the rehire of a disabled teacher who has retired under AS 14.25.130 but is cleared to return to work under AS 14.20.165, we added a new subsection, (f), to sec. 14.20.136." He said his understanding

is that someone who has been cleared to come back to work may do so even though he/she has retired. He added that he didn't understand what constitutes the conflict.

MS. REXFORD answered that she coordinated with Legislative Legal and Research Services and the Division of Retirement and Benefits (DRB) to draft the language. She maintained that the intention is not to prohibit those who are retired and rehabilitated under a different statute from returning to work but to allow the rehire of the retired teacher under the retirement system.

REPRESENTATIVE JOHNSTON relayed that there are two different statutes addressing two distinctly different rehire situations: one is for the rehire of retired teachers; the other is for rehire of disabled teachers who are now [rehabilitated].

REPRESENTATIVE TUCK offered that on page 2, lines 13-14, subsection (f) has been added to clarify that issue. He relayed that the memo mentions a possible conflict, and to solve that conflict, subsection (f) has been added; therefore, the conflict is resolved.

REPRESENTATIVE JOHNSTON concurred.

REPRESENTATIVE TUCK removed his objection to the motion to adopt Version O as the working document. There being no further objection, Version O was before the committee.

[3:45:18 PM](#)

REPRESENTATIVE TUCK stated that the proposed legislation is needed to ensure Alaska has qualified teachers in rural Alaska. He added that it is unfortunate that the legislature is not accomplishing this through methods known to work, that have worked in the past, and work for other states - viable retirement plans. He maintained, "That's how you lock them in; that's how you keep them there; that's how they are able to have lifelong careers with our districts." He expressed that he worries that Alaska's teacher personnel will become "top-heavy" again, due to hiring back retirees and not taking the effort to invest in new people coming into the industry for lifelong careers. He offered that this is a "band aid" approach, but possibly necessary because of the state's fiscal situation and lack of retirement benefits.

REPRESENTATIVE TUCK relayed that the state relies on teachers' passion to teach more than on offering greater compensation. He expressed that it is alarming that in Texas, one can start out with only a bachelor's degree and no experience and begin teaching with a salary of \$56,000. In Alaska, one needs a master's degree to teach. He maintained that Alaska is not honoring that teacher, who has worked so hard to obtain the degree and is sometimes put into difficult working and living conditions in rural Alaska. Alaska is not getting a return on its investment when after a few years of gaining experience, the teacher decides to move out of state to raise a family, because there are no defined retirement benefits or social security benefits upon retiring. He said, "That's really unfortunate."

[3:47:42 PM](#)

REPRESENTATIVE KNOPP said that he agrees; it is a band aid approach, but a good one; it fills the gap temporarily. He mentioned previous testimony [2/8/18 House State Affairs Standing Committee meeting] pointing out that the ATP Job Fair has not drawn the number of teacher candidates as in the past. He stated that the proposed legislation is a "good fix." He offered that there are numerous reasons why teachers don't stay; benefit packet and pay may be part of the retention problem. He said that of the salary studies that he has reviewed, Alaska does not compare poorly with the rest of the country; it is not in the bottom 50th percentile, but closer to the top - 10-20th percentile. He conceded that the conditions in Alaska are substantially different [than in the Lower 48]. He recalled that there used to be a loan forgiveness program, and he expressed his belief that the school districts and state agencies will eventually address recruitment and retention in one form or another.

[3:49:21 PM](#)

REPRESENTATIVE WOOL said that he agrees that the proposed legislation offers a temporary fix. He added that fortunately we have many good teachers who are retiring that Alaska may want to keep awhile longer. He stated that he learned about a friend of his in Fairbanks, who had been teaching in the public school for quite some time, moving to Las Vegas to teach, because the job offer was too good to turn down. He offered that salary is important and benefits are important. He stated that Alaska may not rank at the bottom of all the states in pay but ranks at the top for cost of living (COL). He said, "We have to start recognizing that." He added that University of Alaska (UA) is

working hard to graduate more teachers and place quality teachers in all parts of Alaska. He maintained that Alaska needs to examine its entire educational system - kindergarten (K) through 12 and through the university; value it; and support it to keep it working.

[3:50:54 PM](#)

CHAIR KREISS-TOMKINS stated that he agrees with comments expressed. He mentioned that the president of the UA Board of Regents has made this issue a priority, which might help "get to the root of the problem."

[3:51:16 PM](#)

REPRESENTATIVE LEDOUX moved to report CS for HB 224, Version 30-LS0759\O, Wayne, 2/13/18, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CDHB 224(STA) was reported from the House State Affairs Standing Committee.

**HJR 21-FEDS RESPECT STATE REG OF MARIJUANA**

[3:51:41 PM](#)

CHAIR KREISS-TOMKINS announced that the next order of business would be SPONSOR SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 21, Urging the federal government to respect the authority of the state to regulate marijuana use, production, and distribution and to honor previous federal guidance on marijuana policy; and urging the federal government to reconsider its listing of marijuana as a schedule I controlled substance.

[3:52:03 PM](#)

REPRESENTATIVE DAVID GUTTENBERG, Alaska State Legislature, as prime sponsor of HJR 21, testified that the original version of the proposed resolution simply asked the U.S. attorney general to honor the commitments of the Cole [Memorandum (Memo)] written under the previous administration [by U.S. Deputy Attorney General James M. Cole, U.S. Department of Justice (DOJ) on 8/29/13], which Alaska's statutes and policies support. He stated that the current attorney general has "backed off" on that commitment. The sponsor substitute (SS) for HJR 21, [labeled Version 30-LS0820\D and referred to as Version D], would request that the federal government support the previous policy and not undermine the wishes of the people of Alaska and

the work that has been done in Alaska. He referred to copies of letters from 13 U.S. senators and many [state] governors and attorney generals, included in the committee packet, expressing concern on this issue. He mentioned that there are several related issues and one is states' rights; the people of Alaska have voted; and the [Alaska Supreme Court] decision of 1975, Ravin v. State, has been in place for many years. He maintained that it is appropriate for Alaska to stand up for the wishes of its residents.

[3:54:15 PM](#)

REPRESENTATIVE WOOL asked if the current version of the resolution, instead of asking the federal government to honor the Cole Memo, urges it to reconsider its listing of marijuana as a schedule I controlled substance.

REPRESENTATIVE GUTTENBERG explained that the language urging reconsideration of the listing of marijuana was added under Version D; however, the basic premise of the remainder of the resolution is to honor the tenants of the Cole Memo, which read in part as follows:

- Preventing the distribution of marijuana to minors;
- Preventing revenue from the sale of marijuana from going to criminal enterprises, gangs, and cartels;
- Preventing the diversion of marijuana from states where it is legal under state law in some form to other states;
- Preventing state-authorized marijuana activity from being used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity;

REPRESENTATIVE GUTTENBERG referred to a newspaper article reporting that someone's business license had been revoked; the Cole Memo states that if a state honors and enforces the named tenants, then the federal government will not interfere with the state's policies. He relayed that the [Alaska] Marijuana Control Board explained that the reason it took this action against the business owner was because of these tenants. The public was surveyed about the changes they wanted to see, and they requested that the listing of marijuana as a schedule I controlled substance be changed. He maintained that the listing has hindered research on marijuana; it was a political decision

that was wrong; and it has resulted in many unintended consequences over the years.

[3:56:55 PM](#)

REPRESENTATIVE LEDOUX asked whether the section regarding marijuana as a schedule I controlled substance is new under Version D.

REPRESENTATIVE GUTTENBERG replied yes.

REPRESENTATIVE LEDOUX asked to know what else is different under Version D.

REPRESENTATIVE GUTTENBERG answered that it refers to the letters from the governors, Alaska U.S. Senator Lisa Murkowski, and Alaska U.S. Representative Don Young; and it supports the intent of the original version of the resolution.

CHAIR KREISS-TOMKINS clarified that the mention of the letters is included in the paragraphs on page 2, line 21 to page 3, line 21.

REPRESENTATIVE GUTTENBERG confirmed that the paragraphs on page 2, lines 1-15, reflect language from the Cole Memo; the paragraph on page 2, lines 16-20, contains a comment from the American Medical Association (AMA), which is neutral regarding the issue but does support research; and the paragraphs included on page 2, lines 21-31 references Alaska's attorney general. He explained that there are two issues for Alaska's attorney general: one is the Cole Memo and the other is banking. He maintained that a business owner not being able to use a bank enhances all the crime and diversion of money activities listed in the Cole Memo.

REPRESENTATIVE LEDOUX asked how marijuana not being a schedule I controlled substance would affect the priorities of DOJ listed in the Cole Memo and the ability to enforce them.

[3:59:52 PM](#)

REPRESENTATIVE GUTTENBERG responded that the proposed resolution asks the federal government to reconsider marijuana's listing as a schedule I controlled substance. He stated that Alaska's statutes and regulations conform to the Cole Memo. He opined that if marijuana is removed from the list, there would be more research, banking for the marijuana industry would be enabled,

and other states would consider [legalization of marijuana]. He relayed that Alaska is unique in its issues regarding transportation of marijuana, which involves boat or air transport or transporting through Canada. He maintained that relisting marijuana would allow "a more rational dialogue to happen about what marijuana is and its effect" and would allow for research. He relayed that under the schedule I listing, marijuana research is very limited, including medical research.

REPRESENTATIVE LEDOUX asked why research couldn't be done in Alaska. She stated that she was very comfortable with the federal government not interfering with Alaska's marijuana industry and not overreaching. She mentioned that she has lost that level of comfort.

REPRESENTATIVE GUTTENBERG asked, "Who would do the research?" He answered that question by saying that the University of Alaska (UA) can't do the research, because it gets federal funds. He maintained that there is not a laboratory in Alaska that could do the research, because it would require an expansive facility. He relayed that with marijuana as a schedule I controlled substance, no one in the industry can use the banking system.

[4:03:21 PM](#)

REPRESENTATIVE LEDOUX expressed her understanding that there are bills in Congress to allow banking and possibly research. She stated that banking and research appear to be the two main issues; she is not aware of other ramifications of removing marijuana from schedule I. She opined that the resolution asking the federal government to "leave us alone" has become overly broad.

REPRESENTATIVE GUTTENBERG replied that federal bills are just like state bills in that they need a signature to be enacted - the U.S. President's signature for a federal bill and the governor's signature for a state bill. He stated that classifying marijuana with heroin and cocaine has been part of the problem for 70 years. He maintained that doing so was a political decision and not a medical or scientific decision; there is no basis for it to be listed with schedule I controlled substances. The legislature cannot take marijuana off the schedule I list; it must be a congressional action. He offered that he is not sure the U.S. Food and Drug Administration (FDA) or another federal agency could do it; it must be done by

Congress or the U.S. President. He asserted that the resolution only asks that the federal government reconsider the listing.

[4:05:52 PM](#)

REPRESENTATIVE WOOL pointed out that cocaine and methamphetamines are schedule II substances; therefore, are determined by the federal government to be less dangerous than marijuana. He opined that the controlled substance listings are "out of step with today's world," and marijuana being a schedule I controlled substance has been a topic of conversation for decades. He expressed that he doesn't know what will enact change; probably not a resolution, but it would make a statement.

[4:07:05 PM](#)

REPRESENTATIVE WOOL moved to report the SSHJR 21, Version 30-LS0820\D, out of committee with individual recommendations and the accompanying zero fiscal note. There being no objection, SSHJR 21 was reported from the House State Affairs Standing Committee.

**HB 319-RENEW MARIJUANA LICENSE:BACKGROUND CHECKS**

[4:07:31 PM](#)

CHAIR KREISS-TOMKINS announced that the final order of business would be HOUSE BILL NO. 319, "An Act relating to criminal background checks for marijuana establishment registrations and renewals; and providing for an effective date."

[4:08:02 PM](#)

REPRESENTATIVE ANDY JOSEPHSON, Alaska State Legislature, as prime sponsor of HB 319, stated that the proposed legislation is well founded because submitting fingerprints every year for background checks is unnecessary; the Department of Public Safety (DPS) would become aware through the Alaska Public Safety Information Network (APSIN) or another means of the need for further scrutiny regarding a marijuana establishment. He relayed that HB 319 would require fingerprinting every three years; and there is a forthcoming amendment to expand that period, which he supports.

[4:08:52 PM](#)

REPRESENTATIVE WOOL moved to adopt Amendment 1, labeled 30-LS1334\A.1, Martin, 2/15/18, which read:

Page 1, line 14:

Delete "three"

Insert "six"

REPRESENTATIVE TUCK objected for the purpose of discussion.

[4:09:14 PM](#)

REPRESENTATIVE WOOL explained that the statute currently requires it to occur annually; HB 319 would require it every three years; and the proposed amendment would change the requirement for fingerprinting to every six years. He stated that the only other license requiring recurring fingerprinting is massage therapy at three years, which has been discussed in House Labor and Commerce Standing Committee and will most likely be changed, because it constitutes a burden on the industry. He relayed that someone holding a liquor license is fingerprinted for a background check as a new owner; it is required when there is a change of ownership; however, it is only performed once for each owner. He conceded that the marijuana industry is new, and people are nervous about its legality and criminal involvement. He expressed his belief that people who are entering legitimate businesses, following all the regulation and licensure requirements, and investing hundreds of thousands of dollars would not want to jeopardize that investment by committing a crime; therefore, every six years should be sufficient. He offered that background checks can be done within the state; however, to determine if a federal crime or a crime in another state has been committed, a Federal Bureau of Investigation (FBI) check with fingerprints would be necessary. He opined that a fingerprint background check every six years is sufficient.

REPRESENTATIVE KNOPP asked whether every employee in the marijuana industry must have a certification like the Techniques of Alcohol Management (TAM) card in the alcohol industry and if so, the renewal frequency. He also asked whether the workers are required to submit fingerprints for a background check and the frequency for fingerprinting.

[4:12:43 PM](#)

MEGAN HOLLAND, Staff, Representative Andy Josephson, Alaska State Legislature, on behalf of Representative Josephson, prime

sponsor of HB 319, responded that the proposed legislation addresses a registration for a marijuana establishment, therefore, is not related to a worker certification card.

[4:13:10 PM](#)

ERICA MCCONNEL, Director, Alcohol & Marijuana Control Office (AMCO), Department of Commerce, Community & Economic Development (DCCED), stated that all employees in the marijuana industry are required to obtain a Marijuana Handler Permit which lasts three years; currently no background checks are required for the employees. She said that the Alcoholic Beverage Control (ABC) Board has recently adopted a regulation change that will soon require a State of Alaska background check for employees, but not a full national criminal background check.

REPRESENTATIVE TUCK removed his objection to the motion to adopt Amendment 1. There being no further objection, it was so ordered.

[4:14:30 PM](#)

REPRESENTATIVE LEDOUX stated that she supports the amendment and HB 319.

REPRESENTATIVE WOOL agreed. He stated that hopefully with these beginning industries, people will respect them and not treat them like "they have one foot in the criminal world."

REPRESENTATIVE KNOPP added his support.

REPRESENTATIVE TUCK also added his support.

[4:15:28 PM](#)

REPRESENTATIVE LEDOUX moved to report HB 319, as amended, out of committee with individual recommendations and the accompanying zero fiscal note. There being no objection, CSHB 319(STA) was reported from the House State Affairs Standing Committee.

[4:16:07 PM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House State Affairs Standing Committee meeting was adjourned at 4:16 p.m.