

SENATE FINANCE COMMITTEE

March 1, 2019

9:02 a.m.

[9:02:17 AM](#)

CALL TO ORDER

called the Senate Finance Committee meeting to order at 9:02 a.m.

MEMBERS PRESENT

Senator Natasha von Imhof, Co-Chair
Senator Natasha von Imhof, Co-Chair
Senator Bert Stedman, Co-Chair
Senator Click Bishop
Senator Peter Micciche
Senator Mike Shower
Senator Bill Wielechowski
Senator David Wilson

MEMBERS ABSENT

Senator Lyman Hoffman
Senator Donny Olson

ALSO PRESENT

David Scott, Staff, Senator Bert Stedman; Kris Curtis, Legislative Auditor, Alaska Division of Legislative Audit; Charles Ward, Marine Pilots Coordinator, Division of Corporations, Business and Professional Licensing, Department of Commerce, Community and Economic Development; Sara Chambers, Director, Division of Corporations, Business and Professional Licensing, Department of Commerce, Community and Economic Development; Senator Cathy Giessel, Sponsor; Joe LeFleur, Acting Chair, Alaska Board of Nursing; Dave Logan, Executive Director, Alaska Dental Society.

PRESENT VIA TELECONFERENCE

Beth Farnstrom, Professional Practices Director Alaska Nurses Association, Anchorage; David Neilson, Member, Alaska Board of Dental Examiners.

SUMMARY

SB 25 EXTEND BOARD OF DENTAL EXAMINERS

SB 25 was HEARD and HELD in committee for further consideration.

SB 29 EXTEND BOARD OF MARINE PILOTS

SB 29 was HEARD and HELD in committee for further consideration.

SB 36 EXTEND BOARD OF NURSING

SB 36 was HEARD and HELD in committee for further consideration.

#sb29

SENATE BILL NO. 29

"An Act extending the termination date of the Board of Marine Pilots; and providing for an effective date."

[9:03:54 AM](#)

DAVID SCOTT, STAFF, SENATOR BERT STEDMAN, introduced the bill.

Senator Shower queried the reason for a separate Board, and requested the authority if there were no Marine Board of Pilots.

Co-Chair von Imhof stated that Ms. Curtis may provide more information on the general purpose on the boards.

Mr. Scott replied that if the bill did not go through, there would be a one-year winddown of the Board. The Division of Corporations, Business, and Professional license would take over that role.

[9:07:45 AM](#)

KRIS CURTIS, LEGISLATIVE AUDITOR, ALASKA DIVISION OF LEGISLATIVE AUDIT, addressed the question by Senator Shower about the need for the Board.

Senator Shower wondered whether the Board was needed in the broader sense, and wondered who would execute the needs in the event of Board elimination.

Ms. Curtis replied that it was a federal requirement that required that every foreign and U.S. flagged vessels engaged in international trade or moving in the state's waters was required to use the services of a state-licensed pilot. She stated that the question about a board required to license those individuals was a question for policy makers.

Ms. Curtis explained the audit.

Senator Micciche remarked that the Boards were self-sustaining, and required thousands of hours of volunteer work that the department would have to pay for without the Boards.

Ms. Curtis noted that there was a statute that required that the Division of Corporations, Business, and Professional Licensing set the board fees at such a rate that it covered the cost of regulation.

Co-Chair von Imhof remarked that Ms. Chambers could provide further information. She remarked that there was a standard formats in the audits, and the table of contents showed the standard format. She remarked that as there would be more board extensions, the committee members would get used to what, why, and how the decisions were determined.

Ms. Curtis shared that the reports began with an organization and function to address the board's composition and duties. She remarked that there was also information about the board budget.

[9:16:49 AM](#)

CHARLES WARD, MARINE PILOTS COORDINATOR, DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING, DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT, introduced himself.

Senator Bishop announced that he had heard the bills in the Senate Labor and Commerce Committee.

Co-Chair von Imhof OPENED public testimony.

Co-Chair von Imhof CLOSED public testimony.

Co-Chair Stedman noted that an incident in the Gastineau Channel would block other vessels. He stressed the seriousness of the matter. He also pointed to the very large vessels that travel through the waters near Alaska. He felt that it was important to continue to have qualified pilots in the water to minimize potential incidents.

Senator Micciche pointed out that March was the thirtieth anniversary of the Exxon Valdez, and there would have been a different outcome if the regulations that required a pilot to be on board until the passing the narrows. The regulations stabilized the skillset of everyone bringing a vessel into the ports.

Senator Shower looked at the budget, and wondered what was driving the budget surplus.

[9:21:22 AM](#)

SARA CHAMBERS, DIRECTOR, DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING, DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT, remarked that she was impressed at the ability and awareness to explain her work at the committee. She provided an overview of the boards.

[9:25:38 AM](#)

Co-Chair von Imhof wondered how many boards were in the department.

Ms. Chambers replied that the Governor's Office of Boards and Commissions was the appointing authority for all state boards and commissions. There were 21 in the division that she managed, and there were over a hundred total statewide boards and commissions.

Ms. Chambers discussed the fiscal note.

Co-Chair von Imhof announced that amendments were due by 5pm on Monday, March 4.

SB 29 was HEARD and HELD in committee for further consideration.

#sb36

SENATE BILL NO. 36

"An Act extending the termination date of the Board of Nursing; and providing for an effective date."

9:28:24 AM

SENATOR CATHY GIESSEL, SPONSOR, explained the legislation.

9:34:41 AM

KRIS CURTIS, LEGISLATIVE AUDITOR, ALASKA DIVISION OF LEGISLATIVE AUDIT, addressed the audit included in the members' packets.

9:40:40 AM

Senator Micciche noted the gaps in the basic business practices. He wondered who could suggest some solutions to the ongoing management issues. He noted that the reduction in the timeline process was to provide additional oversight, and queried the criteria.

Ms. Curtis replied that it was an inexact science. She remarked that there was an examination of the materiality and severity of each recommendation.

Co-Chair von Imhof felt that Mr. LaFleur could address questions about the inner management of the board.

9:44:40 AM

JOE LEFLEUR, ACTING CHAIR, ALASKA BOARD OF NURSING, introduced himself.

Senator Wielechowski restated his question pertaining to funding and a downtrend in the surplus. He wondered about increased fees for telehealth.

Mr. LeFleur responded that he had been in discussions about the issue with a company in Texas that wanted to do business in Alaska, but that company did not have the appropriate license to practice in Alaska. He stated that there was further review, and it was moved to the board that dealt with licenses.

Senator Wielechowski asked whether telehealth was increasing the workload. He wondered whether there were discussions about increasing the fees for telehealth nurses.

Mr. LeFleur responded that the desire was for the provider to be licensed in Alaska for Alaskan patients.

Senator Wielechowski wondered whether there should be a separate classification for telehealth nurses to pay for the increased cost.

Mr. LeFleur stated that if the cost went to the nurse's employer there would be another board required.

Senator Wielechowski felt that incurring costs because of extra work, then the board could charge a fee for a possible new classification.

Mr. LeFleur replied in the negative, because there was not jurisdiction.

Co-Chair von Imhof wondered how many of the 19,000 nurses were Alaskan residents and living outside, but licensed in Alaska.

[9:50:43 AM](#)

Senator Wielechowski queried the reason for the high turnover on the Board of Nursing, and its impact.

Mr. LeFleur stated that he was brought to the Board in 2017, and there was a major turnover of six people, so he was the only one left of seven. He remarked that the Board was experiencing growing pains.

Co-Chair von Imhof queried closing comments.

Mr. LeFleur explained the Board's purpose.

Senator Wielechowski remarked that the Board response to the audit recommendations stated that the November 2018 meeting would not adjourn until telehealth regulations were developed and read into the Board minutes. He queried the status of those regulations.

Mr. LeFleur the regulations were developed, and due to a snafu, the Board took public testimony. The Department of Law would vote on the issue.

Co-Chair von Imhof OPENED public testimony.

[9:54:12 AM](#)

BETH FARNSTROM, PROFESSIONAL PRACTICES DIRECTOR ALASKA NURSES ASSOCIATION, ANCHORAGE (via teleconference), spoke in support of the bill.

Co-Chair von Imhof CLOSED public testimony.

[9:55:47 AM](#)

SARA CHAMBERS, DIRECTOR, DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING, DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT, addressed some of Senator Wielechowski's questions.

Senator Wielechowski wondered how the Board would meet when six of the seven positions were vacant.

Ms. Chambers replied that six new members were appointed by the administration, but the Board had not met since the appointments.

Senator Micciche wondered whether the Boards were examined in between the renewal times. He queried the plan for the legislature to be comfortable by the department to encourage improvements in a relatively short timeline.

Ms. Chambers replied that the findings were already resolved from the audit. The audit was almost a year old.

Senator Micciche wondered how the lost documentation would be remedied.

Ms. Chambers assured the committee that it would not happen again.

Co-Chair von Imhof requested fiscal note information.

Ms. Chambers explained the fiscal note.

Co-Chair von Imhof announced that amendments were due by 5pm on Monday, March 4.

SB 36 was HEARD and HELD in committee for further consideration.

#sb25

SENATE BILL NO. 25

"An Act extending the termination date of the Board of Dental Examiners; and providing for an effective date."

[10:08:16 AM](#)

SENATOR DAVID WILSON, SPONSOR, introduced the bill.

[10:10:24 AM](#)

KRIS CURTIS, LEGISLATIVE AUDITOR, ALASKA DIVISION OF LEGISLATIVE AUDIT, explained the audit.

[10:12:27 AM](#)

DAVID NEILSON, MEMBER, ALASKA BOARD OF DENTAL EXAMINERS (via teleconference), spoke in support of the bill.

[10:14:23 AM](#)

DAVE LOGAN, EXECUTIVE DIRECTOR, ALASKA DENTAL SOCIETY, testified in support of the bill.

Co-Chair von Imhof OPENED and CLOSED public testimony.

[10:15:36 AM](#)

SARA CHAMBERS, DIRECTOR, DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING, DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT, explained the fiscal note.

Co-Chair von Imhof requested information about the budget swings each year from a surplus to a deficit.

Ms. Chambers replied that every board was on a biennial license cycle, so the bulk of revenue was from renewals of existing licenses.

Senator Shower wondered why the state would cover any of the travel within the fiscal note.

Ms. Chambers replied that they were self-funded, but ran through the state accounting system.

Senator Micciche queried the source of the funding for the 1156.

Ms. Chambers replied that the expenditures and revenues were all tied into professional licensing, and were all supported by receipts.

Co-Chair von Imhof announced that amendments were due by 5pm on Monday, March 4.

SB 25 was HEARD and HELD in committee for further consideration.

Co-Chair von Imhof discussed the schedule for the following week.

ADJOURNMENT
[10:21:21 AM](#)

The meeting was adjourned at 10:21 a.m.