

SENATE FINANCE COMMITTEE  
March 21, 2022  
9:05 a.m.

9:05:10 AM

CALL TO ORDER

Co-Chair Bishop called the Senate Finance Committee meeting to order at 9:05 a.m.

MEMBERS PRESENT

Senator Click Bishop, Co-Chair  
Senator Bert Stedman, Co-Chair  
Senator Lyman Hoffman  
Senator Donny Olson  
Senator Natasha von Imhof  
Senator Bill Wielechowski  
Senator David Wilson

MEMBERS ABSENT

None

ALSO PRESENT

Tim Lamkin, Staff, Senator Gary Stevens; Kris Curtis, Legislative Auditor, Alaska Division of Legislative Audit; Sara Chambers, Division Director, Corporation, Business and Professional Licensing; Senator Robert Myers, Sponsor; Dawson Mann, Staff, Robert Senator Myers; Keith Bauguess, Staff, Senator Gray-Jackson; Senator Elvi Gray-Jackson, Sponsor.

PRESENT VIA TELECONFERENCE

Dr. Damien Delzer, Chair, Alaska Board of Examiners and Optometry, Fairbanks; Steve Dobson, Self, Anchorage; Keith Kurber, Commissioner, Regulatory Commission of Alaska, Fairbanks; Bob Pickett, Chairman, Regulatory Commission of Alaska, Anchorage.

SUMMARY

SB 186      EXTEND BOARD OF EXAMINERS IN OPTOMETRY

SB 186 was HEARD and HELD in committee for further consideration.

SB 190 EXTEND REGULATORY COMMISSION OF ALASKA

SB 190 was HEARD and HELD in committee for further consideration.

SB 222 EXTEND PT & OCCUPATIONAL THERAPY BOARD

SB 222 was HEARD and HELD in committee for further consideration.

#sb186

SENATE BILL NO. 186

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

[9:06:33 AM](#)

TIM LAMKIN, STAFF, SENATOR GARY STEVENS, stated that the bill was self-explanatory.

KRIS CURTIS, LEGISLATIVE AUDITOR, ALASKA DIVISION OF LEGISLATIVE AUDIT, discussed the audit for the Board of Examiners in Optometry (copy on file). She explained that the audit concluded that the board conducted its meetings in compliance with state law, effectively licensed optometrists, and actively amended regulation to implement statutory changes and to improve the license process. She said that the audit also found that the audit also found that the Division of Corporations, Businesses, and Professional Licensing (DCBPL) staff failed to operate in the public's interest by not consistently recording the existence of a DEA number in DCBPL licensing database, by not ensuring that continuing education audits were conducted in a timely manner, and by not effectively monitoring licensee compliance with continuing education in pain management and opioid use and addiction. She said her division recommended that the board be extended 6 years, which was 2 years less than the 8-year maximum allowed for in statute. She stated the reduced extension recommendation reflected the need for more timely oversight considering the audit findings. She turned to Page 9 of the audit,

which showed the standard licensing statistics. She relayed that as of January 2021, there were 218 licensed optometrists, reflecting an increase of 18 percent when compared to the prior 2013 sunset audit. She cited Page 10, which showed the schedule of board revenues and expenditures. She furthered that as of January 2021, the board had a deficit of approximately \$52,000. She stated that a fee increase had been recommended in April 2020; however, fees had not been increased due to a directive from the governor's office to freeze the fee increased for occupational boards to help mitigate the impact from the Covid 19 pandemic. She relayed that the board had the following recommendations:

Recommendation No. 1:

DCBPL's director should dedicate resources to ensure licensees holding a DEA number are consistently recorded in the licensing database.

Recommendation No. 2:

The board chair and DCBPL's director should change the license renewal form to allow the board to monitor compliance with continuing education requirements.

Recommendation No. 3:

DCBPL's director should ensure adequate resources are available to perform continuing education audits.

Ms. Curtis spoke to each recommendation. She directed committee attention to DCBPL's management response to the recommendations, found on Page 25. She relayed that the Commissioner of the Department of Commerce, Community, and Economic development agreed with the conclusions and recommendations and had reported that the Licensing Examiner position had turned over 5 times during the three-and-a-half-year audit period, while the Licensing Supervisor position had turned over 4 times. She related that the turnover in those positions was what had led to the audit findings. She noted the chair's response on Page 27, who reported that the issues would be addressed before the next license renewal cycle.

Senator Wilson wondered whether the findings were most related to the staff or licensees.

Ms. Curtis replied that the findings mainly circulated around the division's performance. She added that in the

case of the licensing form, the board and the staff reviewed the form, which was deficient.

Senator Olson wondered whether patients eye health had suffered due to the deficiencies found in the audit.

[9:12:51 AM](#)

Ms. Curtis replied that it would be impossible to respond to the question. She offered that no specific public health implications had been conclusive.

Senator Olson recalled the freeze on the licensing fees. He mentioned the increasing fees for veterinarians. He wondered whether they had been subject to the freeze.

Ms. Curtis understood that all boards had been under the freeze. She deferred to the DCBPL director.

SARA CHAMBERS, DIVISION DIRECTOR, CORPORATION, BUSINESS AND PROFESSIONAL LICENSING, replied to Senator Olson's question, and stated that all boards and non-boarded licensing program were subject to the freeze during the pandemic. She did that any needed fee increase had been offset in FY21, FY22, and proposed FY23, with General Funds. She said that the veterinary board and the optometry board would receive money to prevent another fee increase for the time being.

[9:15:01 AM](#)

Senator Olson wondered whether there was an anticipated fee increase for optometrists.

Ms. Chambers replied that one of the budget requests for FY23 would fund a proposal to the legislature to research how fees were assessed. She stated that putting 100 percent of the investigative and administrative fees on licensees was a burden for licensees. She hoped that that policy could be changed for fairness and stability.

Senator Olson mentioned drugs prescribed by optometrists and asked whether the optometrists were subject to the Prescription Drug Monitoring Program (PDMP).

Ms. Chambers replied that if the optometrist had a Drug Enforcement Agency (DEA) License they were subject to the program.

Senator Olson asked whether there had been any complaints made to the division of compromised eye health.

Ms. Chambers replied in the negative.

Senator von Imhof recalled that there had been no filings for malpractice or patent complaints since the last audit.

Ms. Chambers agreed to provide more conclusive information. She remarked that during the current audit period there had been some disciplinary action taken due to non-compliance with the audits.

[9:17:48 AM](#)

Senator von Imhof wondered who should pay for the investigative and administrative expenses other than the licensees. She asked whether general funds were to be used this one time, to fill the gap, or was it expected the state would pay into the future.

Ms. Chambers replied that the issue was under discussion for the next legislative session. She said it would be up to the administration and the legislature to determine whether the current model was working. She knew that various fee funding structures were used in the country.

Co-Chair Bishop wondered what the exit surveys had revealed about why people left the field.

Ms. Chambers replied that people in the field were trained to rise in position to manage boards and customer services. She said that often junior to mid-range people would move up to higher positions in other agencies. Some moved out of state. She noted that the position was not a full-time job.

[9:21:13 AM](#)

Co-Chair Bishop felt that perhaps the administration should increase the PCN to have continuity in safety and health.

Ms. Chambers replied that there was a strategy to restructure the professional licensing section, which could

include some reclassifications. She said that licensing numbers were increasing, and additional positions could be useful. She stated that the FY 23 budget included two new PCNs for programs that may allow the program, and others, some flexibility. She said that high turnover in several state agencies was creating healthy conversation.

DR. DAMIEN DELZER, CHAIR, ALASKA BOARD OF EXAMINERS AND OPTOMETRY, FAIRBANKS (via teleconference), spoke in support of the legislation.

[9:24:36 AM](#)

STEVE DOBSON, SELF, ANCHORAGE (via teleconference), testified in support of the legislation. He acknowledged Dr. Delzer for his leadership on the board.

Co-Chair Bishop OPENED and CLOSED public testimony.

Co-Chair Bishop announced an amendment deadline of March 23, 2022.

SB 186 was HEARD and HELD in committee for further consideration.

#sb190

SENATE BILL NO. 190

"An Act extending the termination date of the Regulatory Commission of Alaska; and providing for an effective date."

[9:27:23 AM](#)

SENATOR ROBERT MYERS, SPONSOR, spoke to the Sponsor Statement (copy on file):

The Senate Bill 190 extends the termination date of the Regulatory Commission of Alaska (RCA) until June 30, 2027.

The Regulatory Commission of Alaska is an independent, quasi-judicial regulatory body that was formed by the legislature in 1999 to replace the Alaska Public Utilities Commission. The RCA is charged with regulating public utilities and pipeline services. Regulation is accomplished by certifying qualified

providers and ensuring they provide safe and adequate services and facilities at just and reasonable rates, terms, and conditions.

[9:28:25 AM](#)

DAWSON MANN, STAFF, ROBERT SENATOR MYERS, discussed the Explanation of Changes (copy on file):

Sec. 1 - Page 1, Lines 4-9

Adds legislative intent language to uncodified law which states that it is the intent to extend the Regulatory Commission of Alaska every five years to take into account the term length of legislators, providing for awareness of the commission and its purpose through legislative review and debate.

Sec. 2 - AS 44.66.010(a)(3) Page 1, Lines 10-13

Changes the expiration date for the commission from 2030 to 2027.

Mr. Mann looked at the Sectional Analysis (copy on file):

Section 1: Page 1, Lines 4-9

This section adds legislative intent language to uncodified law which states that it is the intent to extend the Regulatory Commission of Alaska (RCA) every five years to take into account the term length of legislators, providing for awareness of the commission and its purpose through legislative review and debate.

Section 2: AS 44.66.010(a)(3) Page 1, Lines 10-12

This section extends the termination date for the Regulatory Commission of Alaska until June 30, 2027.

Section 3: Page 1, Line 13

This section establishes an immediate effective date.

[9:29:55 AM](#)

Senator Olson asked whether the sponsor supported the committee substitute.

Senator Myers deferred to the Division of Legislative Audit.

Senator von Imhof queried the date change from 2030 to 2027.

Senator Myers replied that the change had been made in the previous committee out of concern for the size of the RCA and that future legislators might not know what the commission was; the idea was that a more frequent audit would familiarize new legislators with the RCA.

Senator von Imhof recalled that legislators were responsible for educating themselves on various boards and commissions. She thought that if the auditor made a recommendation, they had good reason to do so. She felt that the auditor recommending a 2030 sunset made sense as long as legislators were keeping up to date on audit findings.

Senator Wilson probed the reason for the change. He felt that if there were no findings in the audit, repetitive steps were being taken that drained time and resources.

Co-Chair Stedman agreed. He did not believe in increasing the cost to the state by truncating the board reviews.

Co-Chair Bishop agreed.

[9:33:45 AM](#)

KRIS CURTIS, AUDITOR, LEGISLATIVE AUDIT, looked at the "Sunset Review of the Department of Commerce, Community and Economic Development, Regulatory Commission of Alaska (RCA)" (copy on file). She read the report findings:

REPORT CONCLUSIONS

Overall, the audit concluded RCA operated in an effective manner and served the public's interest by:

- assessing the capabilities of utility and pipeline companies to safely serve the public;
- evaluating tariffs and charges made by regulated entities;
- verifying the pass-through charges to consumers from electric and natural gas utilities;
- adjudicating disputes between ratepayers and regulated entities;
- providing consumer protection services; and
- performing financial reviews of utilities for the State's power cost equalization program.

Ms. Curtis stated that the recommendation was to extend the sunset 8 years. She shared that that a survey, found on Page 19 of the audit, showed that the positive responses to survey questions outweighed negative responses in the surveyed areas. She spoke to Page 4 of the audit, which showed that Regulatory Commission of Alaska resolved most of their consumer complaints within a 30-day period. She said that Page 5 provided a listing of the types of complaints received from July 2020 through February 2021. She said that Page 4 showed the conclusion that RCA processed tariff filing and dockets within the statutory regulatory timelines, which was the area that received the most review. The audit had one administrative recommendation:

Recommendation No. 1:

The RCA chair should clarify regulations concerning the cancelation of scheduled public meetings.

Ms. Curtis shared that Regulatory Commission of Alaska regulations required two meetings a month and if there was nothing on the agenda meetings were cancelled. She relayed that during the audit timeframe, 25 of 88 meetings were cancelled, 6 consecutively. She related that according to RCA management regulations allowed the commission to modify a requirement by their own motion, but no official motion had been recognized but the auditors. She offered that it was reasonable for the RCA to cancel meetings when there were no agenda items, but that action did not strictly adhere to their regulations. She did not believe that the issue should affect the extension timeline. She shared that the response on Page 23 revealed that both the commissioner of DCCED and the RCA chairman supported the extension.

[9:37:57 AM](#)

Senator von Imhof recalled that there were some questions about the time the RCA took to review rates and make recommendations. She queried the average timeline.

Ms. Curtis replied that the audit background information provided all statutory timelines, which differed for each type of business. She added that the statutory requirements were approved by the legislature and the regulatory through the public comment process She said that it had been found that

[9:39:31 AM](#)

Senator von Imhof thought that it could be time for the legislature to review the regulatory timelines for the Regulatory Commission of Alaska to complete its work.

Co-Chair Bishop agreed.

KEITH KURBER, COMMISSIONER, REGULATORY COMMISSION OF ALASKA, FAIRBANKS (via teleconference), noted that in a previous hearing in another committee there had been a question as to whether changing the sunset from 8 years to 5 years would affect the work of legislative auditors.

BOB PICKETT, CHAIRMAN, REGULATORY COMMISSION OF ALASKA, ANCHORAGE (via teleconference), supported the original recommendation of an 8-year sunset date.

[9:42:04 AM](#)

Co-Chair Bishop OPENED and CLOSED public testimony.

Co-Chair Bishop set an amendment deadline of March 28, 2022.

SB 190 was HEARD and HELD in committee for further consideration.

#sb222

SENATE BILL NO. 222

"An Act extending the termination date of the State Physical Therapy and Occupational Therapy Board; and providing for an effective date."

[9:43:07 AM](#)

KEITH BAUGUESS, STAFF, SENATOR GRAY-JACKSON, introduced himself.

SENATOR ELVI GRAY-JACKSON, SPONSOR, introduced the bill.

KRIS CURTIS, AUDITOR, LEGISLATIVE AUDIT, pointed to the audit of the State Physical Therapy and Occupational Therapy Board. She stated that there was a recommendation for an eight-year extension of the board.

She stated that the report made no recommendations.

[9:45:38 AM](#)

Co-Chair Bishop OPENED public testimony.

Co-Chair Bishop CLOSED public testimony. Co-Chair Bishop discussed the schedule for the following meeting.

#

ADJOURNMENT

[9:46:22 AM](#)

The meeting was adjourned at 9:46 a.m.