

SENATE FINANCE COMMITTEE
March 30, 2022
9:03 a.m.

9:03:12 AM

CALL TO ORDER

Co-Chair Bishop called the Senate Finance Committee meeting to order at 9:03 a.m.

MEMBERS PRESENT

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

MEMBERS ABSENT

Senator Natasha von Imhof

ALSO PRESENT

Erin Shine, Staff, Senator Click Bishop; Madison Govin, Staff to Senator Micciche; Kris Curtis, Legislative Auditor, Alaska Division of Legislative Audit; Senator Peter Micciche, Sponsor; Sara Chambers, Director, Division of Corporations, Business and Professional Licensing, Department of Commerce, Community and Economic Development; Emma Torkelson, Staff to Senator Revak; Eddie Grasser, Director, Division of Wildlife Conservation, Department of Fish and Game.

PRESENT VIA TELECONFERENCE

Dr. Brian Larson, Chair, Alaska Board of Chiropractic Examiners, Soldotna.

SUMMARY

SB 190 EXTEND REGULATORY COMMISSION OF ALASKA

CSSB 190(FIN) was REPORTED out of committee with three "do pass" recommendations, three "no

recommendation" recommendations and a new fiscal impact note from the Department of Commerce, Community and Economic Development.

SB 193 EXTEND BOARD OF CHIROPRACTIC EXAMINERS

SB 193 was HEARD and HELD in committee for further consideration.

SB 204 HUNTING PERMIT/TAG AUCTIONS/RAFFLES

SB 204 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."

[9:03:52 AM](#)

Co-Chair Bishop relayed that it was the third hearing for SB 190. The committee had opened and closed public testimony on March 21, 2022. It was the committee's intention to consider a committee substitute (CS), review the fiscal notes, and look to the will of the committee.

[9:04:18 AM](#)

AT EASE

[9:04:40 AM](#)

RECONVENED

Co-Chair Stedman MOVED to ADOPT proposed committee substitute for SB 190, Work Draft 32-LS1525\W (Ambrose, 3/25/22).

Co-Chair Bishop OBJECTED for discussion.

ERIN SHINE, STAFF, SENATOR CLICK BISHOP, discussed the changes reflected in the CS. She explained that the changes between the previous CS the committee had adopted and Version W before the committee was on page 1, lines 8 through 11. The change added intent language for the Regulatory Commission of Alaska (RCA) to adopt regulations

specific to refuse utilities, to provide for sufficient public notice, and time for rate payers to meaningfully comment on rate filings.

Senator Wielechowski commented that he was glad to see the intent language included in the proposed CS. He discussed legislative history and intent pertaining to RCA. He relayed that that current regulations for electric cooperatives would be different than the regulations that would be needed for electric utilities, in large part because the coops were owned by the rate payers whereas refuse coops were for-profit organizations. He continued that the intent was to ensure the public had sufficient notice and an opportunity to meaningfully comment on rate findings, in particular for the simplified rate filing procedure.

Co-Chair Bishop WITHDREW his OBJECTION. There being NO further OBJECTION, it was so ordered. The CS for SB 190 was ADOPTED.

Senator Wielechowski discussed a new fiscal note from the Department of Commerce, Community and Economic Development with OMB Component 2417. The appropriation was for the Regulatory Commission of Alaska. For the years FY 23 through FY 28, the appropriation was for \$9,735,900 funded by regulatory surcharge and considered to be Designated General Funds (DGF).

Co-Chair Stedman MOVED to report CSSB 190 (FIN) out of Committee with individual recommendations and the accompanying fiscal note.

CSSB 190 (FIN) was REPORTED out of committee with three "do pass" recommendations, three "no recommendation" recommendations and a new fiscal impact note from the Department of Commerce, Community and Economic Development.

[9:07:55 AM](#)

AT EASE

[9:08:54 AM](#)

RECONVENED

#sb193

SENATE BILL NO. 193

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

[9:08:56 AM](#)

Co-Chair Bishop relayed that it was the first hearing for SB 193. The committee's intention was to hear a bill introduction, take invited and public testimony, and set the bill aside.

[9:09:24 AM](#)

MADISON GOVIN, STAFF TO SENATOR MICCICHE, explained that the CS for SB 193 would extend the termination date for the Chiropractic Examiners Board for two more years, making the new sunset date June 30, 2024. The CS also required that a report from the legislative audit division be submitted to the Legislative Budget and Audit Committee on the board's compliance with the audit. She noted that the legislative auditor was present to review the audit findings.

[9:10:34 AM](#)

KRIS CURTIS, LEGISLATIVE AUDITOR, ALASKA DIVISION OF LEGISLATIVE AUDIT, relayed that the Division of Legislative Audit had conducted a sunset audit of the Board of Chiropractic Examiners dated June of 2021 (copy on file). Overall, the division had found that the board served the public's interest by conducting meetings in accordance with state law, by amending certain regulations to improve the chiropractic profession, and effectively licensing and regulating chiropractic physicians. Additionally, the audit found that one board member did not comply with the statutory requirements for appointments, and additional resources were needed to conduct investigations in a timely manner.

Ms. Curtis continued that the division recommended a five-year extension, which was three years less than the eight-year maximum allowed for in statute. The reduced extension recommendation was the result of an issue identified during the audit that may impact the board's ability to protect the public. She noted that the details related to the issue were not included in the report to preserve the confidentiality of an ongoing investigation.

Ms. Curtis referenced page 5 of the audit, which showed standard licensing information. As of January 2021, there were 306 licensed chiropractors. She directed attention to page 6 of the audit, which showed board revenues and expenditures and indicated that the board alternated between a deficit and surplus during the audit period. She continued that according to the Division of Corporations, Business and Professional Licensing (CBPL), the deficits were within a reasonable range and no fee increases were recommended. Board fees were shown on page 7.

Ms. Curtis listed two recommendations listed on page 9. The division recommended that the governor make appointments in accordance with statutory requirements. The division had found that the board's public member was a licensed Emergency Medical Technician, while statute prohibited a public member from having a direct financial interest in the healthcare industry. The second recommendation was on page 10 and recommended that CPBL's director allocate sufficient resources to ensure that cases were investigated in a timely manner.

Ms. Curtis informed that there had been 11 investigative cases that had been open for over 180 days during the audit period, and the division had investigated all and found 7 of the cases related to the same chiropractor. The division consolidated the 7 cases into one case and had found that there were four unjustified periods of inactivity that ranged from 55 days to 280 days. According to CPBL's investigative staff, the delays were a result of conflicting priorities and insufficient resources.

Ms. Curtis identified that management's response to the audit began on page 21, and the commissioner of DCCED informed that the department had moved forward to hire two new investigative positions to improve the timeliness and quality of investigations. She relayed that the governor's response was on page 23. The governor agreed with recommendation 1 and informed that the board member that had not complied with statutory requirements had been removed. The board chair's response was on page 25. The board chair did not agree with the proposed five-year extension, and believed the board was being unfairly penalized for the audit findings that related more to CBPL and the governor's office. The chair was requesting an eight-year extension.

Senator Wilson asked Ms. Curtis about recommendation 1 and the removal of the board member. He asked if the board had taken action against any licensee that might need to be reconsidered.

Ms. Curtis stated that the division had not specifically looked for a case like Senator Wilson described and had not found anything to indicate there was one.

Senator Olson noted the recommendation was for a five-year extension, while the bill proposed a two-year extension.

Ms. Curtis was confident in the five-year extension but recognized that policymakers might have additional concerns. She deferred to the will of the legislature.

[9:15:27 AM](#)

Senator Hoffman asked why the sponsor was putting forward an extension of two years, when the Division of Legislative Audit had recommended a five-year extension.

SENATOR PETER MICCICHE, SPONSOR, relayed that he had put forward a bill with a proposed five-year extension. He relayed that he generally agreed with the auditor unless there was something extreme that was an outlier in the audit. He had not felt that the issues with the investigation were board-related and had supported the five-year extension. The bill had been amended in another committee.

Senator Olson asked if Senator Micciche did not agree with the proposed two-year extension.

Senator Micciche stated that if he felt there was an issue that was an extreme outlier that required a shortened term below what the department suggested, he would have put a bill in with a two-year extension. He would leave the matter for the committee to decide. He reiterated that the original bill was introduced with a proposed five-year extension, which was still below the maximum. He thought the time frame would allow adequate time for some corrections if some needed to occur.

Co-Chair Stedman asked for discussion as to why the previous committee had proposed only a two-year extension rather than the five-year extension proposed in the

original bill. He reflected that past short board renewals had been from significant problems to warrant the time frame.

Senator Micciche thought there was a limit to what the division could discuss, and in his view the matter was unrelated to the board. He did not support shortening the renewal to two years. He did not identify board issues that would warrant only a two-year extension.

[9:18:51 AM](#)

AT EASE

[9:19:11 AM](#)

RECONVENED

SARA CHAMBERS, DIRECTOR, DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING, DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT, explained that the division appreciated the legislative audit process and always found something to learn from or improve upon as a result. She informed that the one item of concern in the investigation was within the purview of the division. She could not discuss specifics of the investigation but relayed that the matter had caught the attention of the auditor because of the unusual nature of the case. Delays were created because of a lack of resources as well as the unusual way in which the case was presented. The case had warranted work with attorneys and potential due process issues with the respondent. She conveyed that in retrospect, perhaps the case could have been handled better.

Ms. Chambers offered reassurance that the case was ongoing and there had been quite a bit of activity in the months since the audit. She assured that the division was learning along the way with the help of the legal team, to ensure that the unusual case was handled in the best interest of the people of Alaska. She cited that the pending investigative items were more of a process issue than a board issue or a public safety issue for the people of Alaska.

[9:22:28 AM](#)

Senator Olson considered the investigation and asked if Ms. Chambers anticipated that there would be disciplinary action.

Ms. Chambers stated that the case was ongoing and in a fact-finding phase, and the board would ultimately have to make the decision of whether to issue discipline.

Co-Chair Bishop had a question regarding Section 2 of the bill. He acknowledged that Ms. Curtis and staff were overworked. He asked if the division would have the staff and the time to complete the additional report referenced in the bill.

Ms. Curtis relayed that the report would not be an audit, but rather a follow-up that did not need to be conducted according with standards and was much more efficient. She relayed that the division had done something similar for the State Medical Board, when there had been similar concerns related to an investigation and details that could not be included in the audit. She thought the report would not be too burdensome and could be done fairly quickly.

[9:24:43 AM](#)

AT EASE

[9:25:59 AM](#)

RECONVENED

DR. BRIAN LARSON, CHAIR, ALASKA BOARD OF CHIROPRACTIC EXAMINERS, SOLDOTNA (via teleconference), spoke to SB 204. He discussed the audit and the recommendation of the audit committee to shorten the renewal period from 8 years to 5 years, and the subsequent bill amendment to shorten the period to 2 years. He appreciated the confidence that the sponsor had in requesting the extension be for five years. He mentioned the investigation that had taken excessive amounts of time, and the board member that was actively working in the healthcare industry and not able to serve as a public member of the board.

Dr. Larson detailed that the Board of Chiropractic Examiners had four working chiropractic physicians actively working in the field as well as a public member, and the commission of the board was to protect the public. He noted that the board had no opportunity to evaluate applications for open board positions. There was no point in the process

in which the active board had the opportunity to review the application for the public member that was invalidly appointed. He thought the same thing had happened 8 years previously.

Dr. Larson thought it was not realistic to hold the board accountable for the public board member that was appointed, nor for the investigation. He expanded that one board member would initially review cases to determine if there was a violation of statute or regulation, beyond which it had no ability to monitor or determine anything about an investigation. He requested the committee's consideration, and that the renewal be for eight years.

[9:31:09 AM](#)

Co-Chair Bishop OPENED public testimony.

[9:31:23 AM](#)

Co-Chair Bishop CLOSED public testimony.

Co-Chair Bishop set an amendment deadline at noon on Friday April 1, 2022.

SB 193 was HEARD and HELD in committee for further consideration.

sb204

SENATE BILL NO. 204

"An Act relating to auctions or raffles for hunting harvest permits and big game tags; and providing for an effective date."

[9:31:52 AM](#)

Co-Chair Bishop relayed that it was the first hearing for SB 204. The committee intended to hear a bill introduction, take invited and public testimony, and set the bill aside.

EMMA TORKELSON, STAFF TO SENATOR REVAK, discussed the bill. She spoke to a Sponsor Statement (copy on file). She relayed that since its passage in the 1997, the Governor's Auction and Raffle Tag Program had successfully and substantially increased funding for the wildlife conservation programs and outdoor tradition education

efforts of the Alaska Department of Fish and Game (ADF&G), and outdoor-focused organizations throughout the state. In 2021, gross revenue was just over \$1.2 million.

Ms. Torkelson continued that the Senate Resources Committee Substitute (CS) for SB 204 sought to build on this success and expand the department's ability to bring in revenue by adding one new species and increasing the maximum number of permits the department could issue to be auctioned or raffled very minimally. The funds would support wildlife conservation and protection programs and education across Alaska and would increase the ability to leverage approximately \$18 million in new Pittman-Robertson (PR) funds that would be available soon. She noted that the expansion would help ADFG to raise needed matching funds.

Ms. Torkelson informed that the bill was not the first time that such an expansion had taken place. In 2014, HB 161 had made similarly sized increases to the maximum number of harvest permits that were issued, and a noticeable jump in revenue had occurred. She cited that modern, effective wildlife management was becoming more expensive. She used the example of an increase of a couple of dollars to aviation fuel, which had a major impact on survey and inventory operations that were a key element in setting game population and harvest objectives.

Ms. Torkelson summarized that SB 204 would allow more federal revenue to be leveraged for critical sustainable wildlife education and management programs and the proactive work needed to prevent new listings under the Endangered Species Act. She continued that SB 204 directly supported sustainable wildlife populations, outdoor traditions, hunters, and outdoor recreation users.

Senator Hoffman asked about page 2, line 1 through line 8 of the bill, pertaining to the McNeil River area. He asked if the communities from the Alaska Peninsula had been contacted and what the communities' positions were regarding the proposed additional permits.

Ms. Torkelson had not heard that the community had reached out to comment on the issue. She deferred to the department.

Senator Wielechowski asked for an explanation of what was proposed to be deleted on page 2, line 13 to line 30.

Ms. Torkelson informed that the language was proposed to be moved to Section 4, creating new subsections (f) and (g). She described the change as a revisor edit.

Co-Chair Bishop asked Ms. Torkelson to review the Sectional Analysis before hearing testimony from the department.

[9:36:20 AM](#)

Ms. Torkelson addressed a Sectional Analysis document (copy on file):

Section 1. Amends AS 16.05.343(a):

- Page 1 Lines 6-7: Adds Afognak and Raspberry Island Herds to the type of Elk harvest permits that can be donated by the department to be auctioned or raffled.
- Page 1 Line 6: Changes the number of harvest permits that can be donated for Etolin, Afognak, or Raspberry Elk herds from four to two.
- Page 1 Line 9: Adds the word "wildlife" in front of "conservation" to clarify that the nonprofits who qualify to receive these donated harvest permits must be established to promote education in outdoor traditions and "wildlife" conservation and wildlife protection programs in partnership with the department.

Ms. Torkelson noted that the language was standardized throughout the rest of the bill, so all sections that mentioned the eligibility of non-profits or how the money could be used was the same. She continued to address the Sectional Analysis:

Section 2. Amends 16.05.343(c):

- Page 1 Line 14 - Page 2 Line 4: Removes differing tag limits for individual species and allows up to four harvest permits to be issued for all the listed species.
- Page 2 Line 1: Adds "emperor goose" to the list of available species harvest permits.

Ms. Torkelson noted that the bill proposed to increase Dall Sheep permits by one, increased Bison permits by two. She noted that the department retained the ability to issue fewer permits dependent upon its biologists'

recommendations. She continued to address the Sectional Analysis:

- Page 2 Lines 5-8: Adds four McNeil River State Game Sanctuary bear-viewing permits to be auctioned or raffled through the same process.
- Page 2 Lines 13-30: Removes language and replaces it later in a new subsection (1) outlining a 70/30 revenue split between the Department of Fish and Game and the qualified organization putting on the auction or raffle and (2) limiting use of the funds by the organization to approved programs and prohibiting use of the funds for any political campaign or candidate. This language is put back into statute in Section 4 as subsections (f) & (g) of AS 16.05.343.
- Page 2 Lines 12 & 13, Page 3 Lines 1, 2, & 5: Removes "big game" from any mention of "big game harvest permit" so that all the permits are referred to consistently by the broader "harvest permit."
- Page 3 Lines 3 & 4: Changes the inscription on the hunting license issued under this subsection from "Governor's license" to "Commissioner's license"

Section 3. Amends AS 16.05.343(e):

- Page 3 Line 11: Adds that a nonprofit must promote education in "wildlife conservation" and conduct "wildlife" conservation programs in order to qualify as an organization that can conduct auctions or raffles for the department. The new requirement sentence reads: "The department may select a nonprofit organization that promotes education in outdoor traditions and wildlife conservation and that conducts wildlife conservation and wildlife protection programs [...]"

Section 4. Amends AS 16.05.343 by adding new subsections:

- Page 3 Lines 19-25: Reinserts the language removed in Section 2 to create a new subsection (f) that requires that all revenue earned from an auction or raffle of harvest permits be paid to the Department of Fish and Game EXCEPT an amount not to exceed 30%, which the qualified organization putting on the auction or raffle can retain for the administrative costs of holding the auction/raffle and approved projects and educational programs that support outdoor

tradition, wildlife conservation, and wildlife protection.

- Page 3 Lines 26 - Page 4 Line 4: Reinserts the language removed in Section 2 to create a new subsection (g) explicitly limiting use of the funds by the organization to approved programs listed in (f) and prohibiting use of the funds for any "candidate for political office," "organization supporting or opposing ballot propositions," and "expenses associated with lobbying the legislature or administration."

- Page 4 Lines 3-7: Creates a new subsection (h) which allows winners of brown bear and Dall sheep harvest permits to engage in the hunt even if they have successfully taken a brown bear or Dall sheep in the state in the four years preceding.

Section 5. Sets an effective date January 1, 2023

Senator Wilson asked about the potential financial benefit to the state for adding the additional permits and new Emperor Goose tag.

[9:40:46 AM](#)

EDDIE GRASSER, DIRECTOR, DIVISION OF WILDLIFE CONSERVATION, DEPARTMENT OF FISH AND GAME, conveyed that the department believed the proposed changes would enhance its ability to raise more funds, based on past records.

Senator Wilson asked if Mr. Grasser had an estimated dollar amount for the estimated additional revenue.

Mr. Grasser considered that before HB 161 passed in 2014, most years the department had raised less than \$30,000 per year for the governor's auction tag program. In 2021, the department raised a total of \$1.246 million, and the amount seemed to be going up. He cited that for the first time in North America, a wild sheep governor's tag sold for over \$500,000, for a Dall Sheep in Alaska.

Co-Chair Bishop asked if Mr. Grasser had anything to add.

Mr. Grasser relayed that the department had not taken a position on the bill, but he was available to answer questions.

Senator Hoffman knew that the McNeil River was very popular for bear viewing for people all over the world. He asked Mr. Grasser to share statistics for the number of people applying to view bears in the area.

Mr. Grasser did not have the information at hand but thought there was a set number.

Co-Chair Bishop asked if Mr. Grasser could follow up with the committee with the information.

Mr. Grasser agreed.

Senator Hoffman asked about the route that was used to access the McNeil River and whether people went through Dillingham.

Mr. Grasser thought most individuals that accessed McNeil River flew out of Homer or Anchorage.

[9:43:25 AM](#)

Co-Chair Bishop OPENED public testimony.

[9:43:34 AM](#)

Co-Chair Bishop CLOSED public testimony.

Co-Chair Bishop noted that the amendment deadline was Friday, April 1 at noon.

SB 204 was HEARD and HELD in committee for further consideration.

[9:43:52 AM](#)

AT EASE

[9:44:48 AM](#)

RECONVENED

Co-Chair Bishop informed that the committee would not be meeting in the afternoon. He discussed the agenda for the following day.

#

ADJOURNMENT

[9:45:48 AM](#)

The meeting was adjourned at 9:45 a.m.