

ALASKA LEGISLATURE COMMITTEE FILES 1985-1986 86/2

4001 SHES HB 641 - HB 688 877

1 mixtures, or substances of an aggregate weight of less than one-half
2 ounce of a schedule VIA controlled substance; or

3 (2) possesses one or more preparations, compounds, mix-
4 tures, or substances of an aggregate weight of less than one ounce
5 containing a schedule VIA controlled substance on a public street or
6 sidewalk or on the premises of a public carrier or business establish-
7 ment or in any other public place.

8 * Sec. 13. AS 08.80.295(b), (c), and (f)} 08.80.480(3); and AS 17.35
9 are repealed. *required physician to request generic* *definition of medical supplies* *marijuana*

10 * Sec. 14. This Act takes effect immediately in accordance with AS 01.-
11 10.070(c).

A PERFORMANCE REPORT
ON THE
BOARD OF PHARMACY

July 1, 1980 to February 28, 1983

Audit Control Number

08-1114-51-83-R

Commissioner, Department of
Commerce and Economic Development

Richard A. Lyon

Deputy Commissioners, Department of
Commerce and Economic Development

Vincent O'Reilly
Terry Elder

Members of the Board of Pharmacy

Chairman
Secretary
Member
Member
Member
Member
Member

Eldon Ulmer
Margaret Soden
Susan Roberts
Robert Snider
James McCorcle
Charles Rush
Sidney Fry

STATE OF ALASKA

AUDIT DIVISION
PO BOX W
JUNEAU, ALASKA 99811

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE


May 17, 1983

Members of the
Legislative Budget and Audit Committee:

In accordance with the provisions of Titles 24 and 44 of the
Alaska Statutes (sunset), the attached report is submitted
for your review.

A PERFORMANCE REPORT ON THE BOARD OF PHARMACY

July 1, 1980 to February 28, 1983



Gerald L. Wilkerson, CPA
Legislative Auditor
Division of Legislative Audit

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PURPOSE AND SCOPE OF THE REPORT

PURPOSE

In accordance with the intent of Titles 24 and 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities of the Board of Pharmacy for the past three fiscal years. Our examination was conducted to determine if the Board has been operating in an efficient and effective manner.

Legislative intent requires consideration of this report during legislative oversight hearings to determine whether the Board of Pharmacy should be reestablished. The law now specifies that the Board will terminate June 30, 1984, and have one year from that date to conclude its affairs.

SCOPE

The major areas of our examination were the licensing, examination, administration, complaint, and affirmative action functions of the Board. We reviewed and evaluated the following:

1. Applicable statutes and regulations.
2. Interviews with the license examiners.
3. Tests of files and documents of licensees.
4. Complaints filed with the Division of Occupational Licensing, Human Rights Commission, Equal Employment Opportunity Office, Attorney General's Office, and the Ombudsman Office.
5. Discussions with Board members.
6. Minutes of Board meetings and Division correspondence files.
7. Attorney General Opinions applicable to professional boards.

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6. Minutes of Board meetings and Division correspondence files.
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ORGANIZATION AND FUNCTION

The Board of Pharmacy is a regulatory board with seven members; two public members having no direct financial interest in the health care industry, and five professional members with three years practical experience and licensed in Alaska. Whenever possible, each judicial district should be represented by a Board member.

The Board regulates five types of licenses; pharmacists, retail pharmacies, wholesale pharmacies, hospital pharmacies and drug rooms. The Board sets the minimum standards to practice in Alaska by:

1. Examining and issuing licenses to qualified applicants.
2. Establishing, amending, or eliminating regulations controlling pharmacy practices.
3. Revoking, annulling or suspending licenses in accordance with the Administrative Procedures Act when a person has violated pharmacy statutes or regulations.

Applicants for registration as a pharmacist are required to pass the National Association of the Boards of Pharmacy Licensing Examination (NABPLEX), and a jurisprudence exam covering Alaska pharmacy law and the Federal Controlled Substance Act.

Pharmacists licensed to practice in another state who apply for licensure in Alaska, can be licensed by credentials, except for those applicants from California or Louisiana. These two states require applicants to pass a state exam, not the national exam. Consequently, these applicants must take the national exam when applying in Alaska.

The Board may also issue temporary or emergency permits. Temporary permits allow qualified applicants to practice until the Board can formally license them; emergency permits allow pharmacists licensed in another state to practice in Alaska in an emergency. Both permits are limited in their duration and application.

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REPORT CONCLUSION

Policy Issues

This report contains policy issues raised as a result of our evaluation of various Board practices. The final policy decisions affecting these practices are not within the scope of this report but require legislative consideration. In debating these issues, the oversight committees should take into consideration the findings and recommendations presented in this report so the potential impact of policy changes can be evaluated.

Report Conclusion

In our opinion, the Board of Pharmacy should be reestablished. The regulation and licensing of qualified professionals is necessary to protect the public's health, safety, and welfare. The Board provides this service by establishing minimum educational and experience requirements that provide reasonable assurance that persons licensed are qualified. Also, assurances that those licensed act in a competent manner is provided by active investigation of complaints and revocation or suspension of licenses where appropriate.

However, the following findings describe areas where weaknesses or conflicts exist. We have made recommendations which, if implemented, will improve the efficiency and effectiveness of the Board.

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FINDINGS AND RECOMMENDATIONS

Recommendation No. 1

The Board of Pharmacy should allow the Division of Occupational Licensing (OL) to perform its administrative duties as described in AS 08.01.050 to improve documentation and file management.

The Secretary of the Board receives license fees and applications, keeps applicant files, sends notification of exam results, and issues temporary permits. Each of these responsibilities has been assigned by the Legislature to the Department of Commerce and Economic Development, Division of Occupational Licensing. The above situation exists because the previous Secretary believed he could be more efficient in maintaining the files and processing the applications. We disagree.

The Division of Occupational Licensing is able to provide continuous, uninterrupted service while Board membership changes causing address changes and file transfers.

Additionally, the Secretary of the Board may not be equipped with the space or security needed to maintain confidentiality of files and to safeguard State assets. Furthermore, applicants become confused about where to send their documents.

Noncompliance with AS 08.01.050 is the major cause of the following problems:

- A. In seven of ten files reviewed for proper permanent licensure, we were unable to assure ourselves the applicant had passed the jurisprudence exam.
- B. In two of the files, we were unable to verify the applicants had satisfied the internship requirement. The Board reviewed these files and was unable to satisfy us that the requirements had been met. One file was missing documentation and the other file had documentation we considered insufficient in relation to that required of other applicants. Most applicants were required to have certified copies of hours worked from supervising pharmacists. In this case, documentation consisted of an internship permit issued by the Board with no evidence any hours had been worked.
- C. Temporary permits are being issued by individual Board members without complete documentation on file in DOL. This procedure has resulted in inconsistent issuances of temporary permits. Furthermore, it allows for the possibility of unqualified individuals being licensed.

Prior to the February 1983 Board meeting, we reviewed each application for permanent licensure scheduled for Board consideration. Each applicant had already been issued a temporary permit. In five of eleven cases, there was insufficient documentation in the applicant's file to show that all requirements for temporary licensure had been met.

By the time of the February 1983 meeting, all necessary documentation to support issuance of temporary permits, except for a jurisprudence exam, had either been received by OL or brought to the meeting by the Secretary of the Board. With the additional documentation, we determined that no temporary permit had been issued to an unqualified applicant. However, the possibility exists for a person to be improperly licensed for a short time.

The Board should ensure all documentation is sent directly to OL. When the file is complete, a member of the Board can either issue the permit or direct OL to issue the permit. This procedure will ensure that all necessary documentation is on file at OL before issuance of temporary permits.

- D. Alaska Statute 08.80.157 requires proof that an applicant for a retail or wholesale pharmacy license has the land, facilities and equipment necessary to carry on business. Also, that the applicant be free of any conviction of a federal or state drug offense and free of any addiction.

We reviewed seven pharmacy files and none of the files contained sufficient documentation to issue a license. We discussed our finding with the Board and determined it was not their policy to include this documentation. They knew who had the facilities and relied on a telephone call from the Drug Enforcement Administration to satisfy the conviction requirement.

We believe the Board should adopt a policy to document satisfaction of the licensing requirements. The procedures need not be elaborate, but should supply sufficient proof that the applicant complies with law.

We recommend the Board ensure that all files, applications, fees and exam results are sent directly to OL. Also, that temporary permits are only issued after all documentation has been received by OL.

Recommendation No. 2

The Board of Pharmacy should reevaluate its regulations governing continuing education.

The following requirements of continuing education should be reviewed.

- A. Regulations require nonacademic programs to have an examination or another method of assuring satisfactory completion of the program before continuing education credit will be given. The Board allowed continuing education credit to be given to an individual when the nonacademic requirement had not been met. The reason given for allowing these credits was that the regulations were too stringent.

If the Board believes its regulations to be arbitrary or unreasonable, those regulations should be changed before accepting nonregulation continuing education credits. Compliance with existing regulations will ensure that all licensees are treated equally and consistently until changes can be made.

- B. The Board has described four instances when they will excuse a licensee from continued competency requirements. These causes are chronic illness, retirement, military service, or hardships as individually determined by the Board.

In our opinion, it is more reasonable to require individuals who have been chronically ill, retired or in the military to demonstrate their continued competency, than those who have not interrupted their practice. We also understand that those persons who have been chronically ill should not be penalized for their illness.

However, the Board has the ability, under the hardship clause, to determine each case individually. They should evaluate the changes in the profession and develop a plan for the individual that would allow him or her to practice while fulfilling the continuing education requirements. This would fulfill the Board's primary purpose to protect the public while not unduly penalizing the professional.

Recommendation No. 3

The Board of Pharmacy and the Division of Occupational Licensing should introduce legislation that will clarify certain statutory requirements.

Alaska Statute 08.01.050(19) places the responsibility for

performing investigations with the Division; Alaska Statute 08.01.070 assigns to the Board the requesting authority. However, AS 08.80.030(3) also gives the Board the authority to conduct investigations. This conflict has caused friction between the Division and the Board.

The Board is concerned that the Division is not informing them of complaints or investigations concerning pharmacy, while the Division is concerned that the Board not become involved in the investigation to such an extent as to prejudice the case. Also, the Board must remain impartial in case they become involved in any disciplinary action against the licensee.

Legislation is necessary to clarify the responsibilities of the Board and the Division so both will be confident they are properly performing their statutory duties.

Recommendation No. 4

The Office of the Governor should ensure that Board members are properly appointed.

In July of 1980, the Legislature limited the number of consecutive terms a Board member could serve to two and reduced the term from five years to four. The intent of AS 08.80.020 as amended, was to make service on the Board accessible to more individuals in the profession.

In discussions with Legislative Affairs' attorneys, it became clear that the intent of the Legislature was to include service prior to July, 1980, in determining the limitation. Three members of the Board of Pharmacy have served longer than is allowed when prior service is applied.

One member has served for sixteen years as of March 31, 1983, thirteen of those years prior to July, 1980. This same member was reappointed after the effective date of AS-08.80.020. At the end of his present term, he will have served nineteen years. Two other members will have served twelve and ten years at the end of their present terms on March 31, 1984 and March 31, 1985, respectively.

Additionally, three members of the Board appointed after the effective date of the legislation, have been appointed for five year terms instead of four.

We recommend the Office of the Governor ensure that Board members are appointed in accordance with statute.

ANALYSIS OF PUBLIC NEED

Limited Analysis

The following analyses indicate both positive and negative factors as they relate to the public need as defined in the "sunset" law. These analyses are not intended to be comprehensive, but to address those areas we were able to cover during our review.

- I. The extent to which the board, commission or program has operated in the public interest.
 - A. The Board has held public meetings three times a year.
 - B. The Board administers the pharmacy test yearly.
 - C. The Board has passed regulations concerning dangerous drugs, continuing education as proof of continued competency, false or misleading advertisement of drugs, and prepackaging of drugs in hospital drug rooms.
 - D. The Board was instrumental in passage of the Controlled Substance Act and the Marijuana Therapeutic Research Program.
- II. The extent to which the operation of the board, commission, or agency program has been impeded or enhanced by existing statutes, procedures, and practices which it has adopted, and any other matter, including budgetary, resource, and personnel matters.
 - A. The Board adopted continuing education regulations that may be too stringent. The Board is reconsidering these regulations (see Recommendation No. 2).
- III. The extent to which the board, commission or agency has recommended statutory changes which are generally of benefit to the public interest.
 - A. The Board actively supported passage of the Controlled Substance Act; it became effective January 1, 1983.
 - B. The Board succeeded in having various obsolete or vague statutory requirements repealed which provided for smoother operation of the Board.

- IV. The extent to which the board, commission or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service which it has provided.
- A. Board meetings are announced to the public. Comments on regulation changes are solicited by announcement in public newspapers. The board does not actively solicit comments on its effectiveness.
- V. The extent to which the board, commission or agency has encouraged public participation in the making of its regulations and decisions.
- A. The Board announces proposed regulation changes or additions in newspapers according to the Administrative Procedures Act.
- VI. The efficiency with which public inquiries or complaints regarding the activities of the board, commission or agency filed with it, with the department to which a board, or commission is administratively assigned, or with the Office of the Ombudsman have been processed and resolved.
- A. We found no problems in this area.
- VII. The extent to which a board or commission which regulates entry into an occupation or profession has presented qualified applicants to serve the public.
- A. We found no instances where the Board had licensed unqualified practitioners.
- B. The Board has licensed 83 pharmacists in the last three years, all but eight were licensed by credentials.
- VIII. The extent to which state personnel practices, including affirmative action requirements, have been complied with by the board, commission or agency to its own activities and the area of activity or interest.
- A. Applications for licensure as a pharmacist require information and photographs which the Division of Equal Employment Opportunity (EEO) believes may not be necessary to determine the qualifications of the applicant.

IX. The extent to which statutory, regulatory, budgeting or other changes are necessary to enable the agency, board or commission to better serve the interests of the public and to comply with factors enumerated in this subsection.

Please refer to the recommendation section of this report.

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APPENDIX A

BOARD OF PHARMACY
REVENUES COMPARED WITH EXPENDITURES
For the Fiscal Year Ended June 30, 1982

(UNAUDITED)
(Note 1)

Average Revenues (Note 2)	\$42,763
Less: Expenditures (Note 3)	<u>46,166</u>
Excess of Expenditures Over Revenues	<u>\$ 3,403</u>

<u>Revenue Type</u>	<u>Amount</u>	<u>Collection Time</u>
Examination Fee	\$ 50	With application
Re-examination Fee	15	With application
Investigation Fee	25	With application
Pharmacist Fee	200	With license issuance
Pharmacist Renewal Fee	200	Every four years
Temporary License Fee	20	With permit issuance
Wholesale Drug Dealer Fee	200	With license issuance
Wholesale Drug Dealer Renewal Fee	200	Every four years
Retail Pharmacy Fee	200	With license renewal
Retail Pharmacy Renewal Fee	200	Every four years
Pharmacy Interim Fee	10	With license issuance
Emergency Permit Fee	10	With permit issuance
Hospital Pharmacy Fee	200	With license issuance
Hospital Pharmacy Renewal Fee	200	Every four years
Hospital Drug Room Fee	100	With license issuance
Hospital Drug Room Renewal Fee	100	Every four years
Nursing Home and Related Facility Fee	100	With license issuance
Nursing Home and Related Facility Renewal Fee	100	Every four years
License Amendments or Renewal Fee	10	When applicable

Note 1

This revenue/expenditure comparison was prepared from available records and discussions with Occupational Licensing personnel. The records were not audited by us and accordingly we do not express an opinion on the Board's Revenues Compared with Expenditures.

Note 2

The majority of the revenues collected are composed of license renewal fees. These fees are collected by most boards once every two or four years and causes revenues in one year to be much greater than the revenues collected in the next year. Therefore, we calculated and reported an average of the revenues collected in Fiscal Years 1981 and 1982 in order to obtain a more accurate representation of revenues collected.

Note 3

Expenditures include those made by board members, such as travel and per diem, and an allocated percentage (estimated) of total administrative expenses of the Division of Occupational Licensing. They do not include expenditures for efforts of other departments (such as the Department of Law) assisting the boards and the Divis 1.

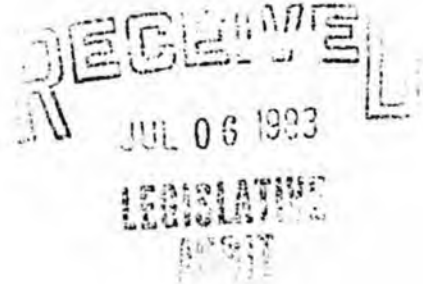
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**DEPARTMENT OF COMMERCE &
ECONOMIC DEVELOPMENT**

POUCH D
JUNEAU, ALASKA 99811
PHONE: 465-2500

OFFICE OF THE COMMISSIONER

June 28, 1983



Mr. Gerald Wilkerson, CPA
Legislative Auditor
Audit Division
Pouch W
Juneau, Alaska 99811

Dear Mr. Wilkerson:

Re: Board of Pharmacy -
Performance Report

Thank you for the opportunity to respond to the performance audit of the Board of Pharmacy and the Division of Occupational Licensing which is dated July 1, 1980 to February 28, 1983.

We concur with your evaluation that the Board of Pharmacy should continue to exist in interest of the public's health and safety. Your suggestions will be evaluated for implementation. Those determined to improve the efficiency and effectiveness of the division and the board will be strongly supported and recommended. We have reviewed each of your recommendations and will provide you with this agency's position if we do not agree.

RECOMMENDATION #1.

The board of Pharmacy should allow the Division of Occupational Licensing (DOL) to perform its administrative duties as described in AS 08.01.050 to improve documentation and file management.

We concur in this recommendation, and cooperative efforts have recently improved. As mandated by legislation, and in the interest of efficiency, DOL is committed to assisting the Board of Pharmacy in all areas.

RECOMMENDATION #2.

The Board of Pharmacy should reevaluate its regulations governing continuing education.

June 28, 1983

This agency is continuing a review on requirement of continuing education by licensing agencies (boards). We do not agree that continued education ensures continued competency. As a licensing agency we determine that competency is the most important. Competency ensures the safety of the consumer. We also take the position that initial licensing is based on minimum qualifications; retesting on the entrance level may serve the purpose of ensuring continued competency. Continued education would, or should, be viewed as the professional association's responsibility to ensure knowledgeable professionals. This would also be in keeping with less government regulations and letting industry regulate itself.

RECOMMENDATION #3.

The Board of Pharmacy and the Division of Occupational Licensing should introduce legislation that will clarify certain statutory requirements.

We concur with this recommendation. This agency has been working with the Legislative Code Revision Committee in rewriting Title 8. This would have deleted the fragmentation throughout Title 8 and the various chapters. This effort was resisted by the board as an effort to diminish its authority. We will seek to have legislation submitted to clarify the issue of conflict within the statutes.

RECOMMENDATION #4.

The Office of the Governor should ensure that board members are properly appointed.

We would assure the auditors this has been addressed by the Governor's Office and by the Department of Law.

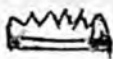
Again, thank you for the opportunity to respond to your report. Please feel free to contact this agency or the Division of Occupational Licensing if additional information or clarification is needed. Be assured, we determine your comments and findings to be fair and in the best interest of Alaskan consumers and professional pharmacist.

Sincerely,



Richard A. Lyon
Commissioner

RAL/cw#23DD1
62883B



Offered: 4/1/86
Referred: Finance

file Pharmacy Bd

Original sponsor: Gruenberg

Superseded

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

1 IN THE HOUSE

2

CS FOR HOUSE BILL NO. 641 (HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to generic drugs, pharmaceuticals,
and the Board of Pharmacy; repealing the marijuana
therapeutic research program; and providing for an
effective date."

7

8

9

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11

* Section 1. AS 08.03.010(c)(4) is amended to read:

12

(4) Board of Pharmacy (AS 08.80.010) -- June 30, 1989

13

[1985].

14

* Sec. 2. AS 08.80.030 is amended to read:

15

Sec. 08.80.030. POWERS OF THE BOARD. The board may

16

(1) elect a president and secretary from its membership and

17

adopt rules for the conduct of its business;

18

(2) examine applicants for registration as pharmacists;

19

(3) assist the department in inspections and investigations

20

[INVESTIGATE INDIVIDUALLY, COLLECTIVELY, OR THROUGH ITS AGENT,] for

21

violations of this chapter, or of any other state or federal statute

22

relating to the practice of pharmacy;

23

(4) adopt regulations and do whatever else is necessary and

24

advisable to carry out the purposes of this chapter;

25

(5) adopt [PROMULGATE] regulations to carry out the pur-

26

poses of this chapter;

27

(6) [REPEALED

28

(7)] register intern pharmacists and adopt regulations

29

[PROMULGATE RULES] relating to their minimum experience requirements;

1 (7) adopt [(8) PROMULGATE] regulations to ensure adequate
2 security for all dangerous drugs;

3 (8) [(9)] adopt requirements for licensing in addition to
4 the requirements set out in this chapter.

5 * Sec. 3. AS 08.80.295(a) is amended to read:

6 (a) Unless the prescription expressly states that it is to be
7 dispensed only as written [EXCEPT AS LIMITED BY (b) AND (c) OF THIS
8 SECTION, WITH THE CONSENT OF THE PURCHASER], the pharmacist may sub-
9 stitute a drug product with the same generic name in the same
10 strength, quantity, dose and dosage form as the prescribed drug,
11 provided the substitute drug [PRESCRIBED DRUG WHICH] is, in the phar-
12 macist's professional opinion, therapeutically equivalent and meets
13 the standards of (g) of this section. The [UPON SUBSTITUTION THE]
14 pharmacist shall notify the purchaser [AND THE PERSON WHO PRESCRIBED
15 THE DRUG] of the substitution, and shall record on the prescription
16 and keep a record of the name and manufacturer of the drug substi-
17 tuted.

18 * Sec. 4. AS 08.80.295 is amended by adding new subsections to read:

19 (i) A pharmacist who substitutes a drug in compliance with this
20 section incurs no greater liability in filling the prescription by
21 dispensing the equivalent drug product than would be incurred in
22 filling the prescription by dispensing the prescribed brand name drug.

23 (j) Every pharmacy shall post a sign in a location easily seen
24 by patrons at the counter where prescriptions are dispensed stating
25 that "Under Alaska law a therapeutically equivalent but less expensive
26 drug may, in some cases, be substituted for the drug prescribed by
27 your doctor. Please consult your pharmacist or physician." The
28 printing on the sign shall be in block letters not less than one inch
29 in height.

1 * Sec. 5. AS 08.80.360 is amended to read:

2 Sec. 08.80.360. SALE OF DANGEROUS MATERIALS. Drugs that [OR
3 MEDICAL SUPPLIES WHICH] contain poisonous, potent, habit-forming or
4 deleterious ingredients may [SHALL] be dispensed only by a licensed
5 pharmacist. At the time of the sale, the pharmacist shall make the
6 nature of the drug or medical preparation known to the purchaser.

7 * Sec. 6. AS 08.80.480(2) is repealed and reenacted to read:

8 (2) "drug" means an article recognized in the official
9 United States Pharmacopoeia, official Homeopathic Pharmacopoeia of the
10 United States, or official National Formulary; an article intended for
11 use in the diagnosis, cure, mitigation, treatment, or prevention of
12 disease in man or animal; an article other than food, intended to
13 affect the structure or function of the body of man or animal; and an
14 article intended for use as a component of an article specified in
15 this paragraph but does not include devices or their components,
16 parts, or accessories;

17 * Sec. 7. AS 08.80.480 is amended by adding a new paragraph to read:

18 (21) "nonprescription drug" means a nonnarcotic medicine or
19 drug that may be sold without a prescription and that is prepackaged
20 for use by the consumer and labeled in accordance with the require-
21 ments of the statutes and regulations of the state and the federal
22 government.

23 * Sec. 8. AS 11.71.030(a) is amended to read:

24 (a) Except as authorized in AS 17.30 [OR AS 17.35], a person
25 commits the crime of misconduct involving a controlled substance in
26 the third degree if the person

27 (1) manufactures or delivers any amount of a schedule IIA
28 or IIIA controlled substance or possesses any amount of a schedule IIA
29 or IIIA controlled substance with intent to manufacture or deliver;

1 (2) delivers any amount of a schedule IVA, VA, or VIA
2 controlled substance to a person under 19 years of age who is at least
3 three years younger than the person delivering the substance; or

4 (3) being 18 years of age or older, possesses any amount of
5 a schedule IA or IIA controlled substance within the grounds of or on
6 a parking lot immediately adjacent to a public or private preschool,
7 elementary, junior high, or secondary school.

8 * Sec. 9. AS 11.71.040(a) is amended to read:

9 (a) Except as authorized in AS 17.30 [OR AS 17.35], a person
10 commits the crime of misconduct involving a controlled substance in
11 the fourth degree if the person

12 (1) manufactures or delivers any amount of a schedule IVA
13 or VA controlled substance or possesses any amount of a schedule IVA
14 or VA controlled substance with intent to manufacture or deliver;

15 (2) manufactures or delivers, or possesses with the intent
16 to manufacture or deliver, one or more preparations, compounds, mix-
17 tures, or substances of an aggregate weight of one ounce or more
18 containing a schedule VIA controlled substance;

19 (3) possesses

20 (A) any amount of a schedule IA or IIA controlled
21 substance;

22 (B) 25 or more tablets, ampules, or syrettes contain-
23 ing a schedule IIIA or IVA controlled substance;

24 (C) one or more preparations, compounds, mixtures, or
25 substances of an aggregate weight of three grams or more contain-
26 ing a schedule IIIA or IVA controlled substance;

27 (D) 50 or more tablets, ampules, or syrettes contain-
28 ing a schedule VA controlled substance;

29 (E) one or more preparations, compounds, mixtures, or

1 substances of an aggregate weight of six grams or more containing
2 a schedule VA controlled substance; or

3 (F) one or more preparations, compounds, mixtures, or
4 substances of an aggregate weight of one pound or more containing
5 a schedule VIA controlled substance;

6 (4) being 18 years of age or older, possesses a schedule
7 IIIA, IVA, VA, or VIA controlled substance within the grounds of or on
8 a parking lot immediately adjacent to a public or private preschool,
9 elementary, junior high, or secondary school;

10 (5) knowingly keeps or maintains any store, shop, ware-
11 house, dwelling, building, vehicle, boat, aircraft, or other structure
12 or place which is used for keeping or distributing controlled sub-
13 stances in violation of a felony offense under this chapter or AS 17.-
14 30;

15 (6) makes, delivers, or possesses a punch, die, plate,
16 stone, or other thing which prints, imprints, or reproduces a trade-
17 mark, trade name, or other identifying mark, imprint, or device of
18 another or any likeness of any of these upon a drug, drug container,
19 or labeling so as to render the drug a counterfeit substance;

20 (7) knowingly uses in the course of the manufacture or
21 distribution of a controlled substance a registration number which is
22 fictitious, revoked, suspended, or issued to another person;

23 (8) knowingly furnishes false or fraudulent information in
24 or omits material information from any application, report, record, or
25 other document required to be kept or filed under AS 17.30;

26 (9) obtains possession of a controlled substance by mis-
27 representation, fraud, forgery, deception or subterfuge; or

28 (10) affixes a false or forged label to a package or other
29 container containing any controlled substance.

1 * Sec. 10. AS 11.71.050(a) is amended to read:

2 (a) Except as authorized in AS 17.30 [OR AS 17.35], a person
3 commits the crime of misconduct involving a controlled substance in
4 the fifth degree if the person

5 (1) manufactures or delivers, or possesses with the intent
6 to manufacture or deliver, one or more preparations, compounds, mix-
7 tures, or substances of an aggregate weight of one-half ounce or more
8 containing a schedule VIA controlled substance;

9 (2) manufactures or delivers, or possesses with the intent
10 to manufacture or deliver, one or more preparations, compounds, mix-
11 tures, or substances of an aggregate weight of less than one-half
12 ounce containing a schedule VIA controlled substance, for remunera-
13 tion;

14 (3) possesses

15 (A) less than 25 tablets, ampules, or syrettes con-
16 taining a schedule IIIA or IVA controlled substance;

17 (B) one or more preparations, compounds, mixtures, or
18 substances of an aggregate weight of less than three grams con-
19 taining a schedule IIIA or IVA controlled substance;

20 (C) less than 50 tablets, ampules, or syrettes con-
21 taining a schedule VA controlled substance;

22 (D) one or more preparations, compounds, mixtures, or
23 substances of an aggregate weight of less than six grams contain-
24 ing a schedule VA controlled substance; or

25 (E) one or more preparations, compounds, mixtures, or
26 substances of an aggregate weight of one-half pound or more
27 containing a schedule VIA controlled substance; or

28 (4) fails to make, keep, or furnish any record, notifica-
29 tion, order form, statement, invoice, or information required under

1 AS 17.30.

2 * Sec. 11. AS 11.71.060(a) is amended to read:

3 (a) Except as authorized in AS 17.30 [OR AS 17.35], a person
4 commits the crime of misconduct involving a controlled substance in
5 the sixth degree if the person

6 (1) uses or displays any amount of a schedule VIA con-
7 trolled substance or possesses one or more preparations, compounds,
8 mixtures, or substances of an aggregate weight of one ounce or more
9 containing schedule VIA controlled substance on a public street or
10 sidewalk or on the premises of a public carrier or business establish-
11 ment or in any other public place;

12 (2) knowingly possesses any amount of a schedule VIA con-
13 trolled substance within the immediate control of that person while
14 operating a propelled vehicle;

15 (3) being under 19 years of age, possesses one or more
16 preparations, compounds, mixtures, or substances of an aggregate
17 weight of less than four ounces containing a schedule VIA controlled
18 substance;

19 (4) possesses one or more preparations, compounds, mix-
20 tures, or substances of an aggregate weight of four ounces or more
21 containing a schedule VIA controlled substance; or

22 (5) refuses entry into a premises for an inspection au-
23 thorized under AS 17.30.

24 * Sec. 12. AS 11.71.070(a) is amended to read:

25 (a) Except as authorized in AS 17.30 [OR AS 17.35], a person
26 commits the offense of misconduct involving a controlled substance in
27 the seventh degree if the person

28 (1) manufactures or delivers, or possesses with the intent
29 to manufacture or deliver, one or more preparations, compounds,

1 mixtures, or substances of an aggregate weight of less than one-half
2 ounce of a schedule VIA controlled substance; or

3 (2) possesses one or more preparations, compounds, mix-
4 tures, or substances of an aggregate weight of less than one ounce
5 containing a schedule VIA controlled substance on a public street or
6 sidewalk or on the premises of a public carrier or business establish-
7 ment or in any other public place.

8 * Sec. 13. AS 08.80.295(b), (c), and (f); 08.80.480(3); and AS 17.35
9 are repealed.

10 * Sec. 14. This Act takes effect immediately in accordance with AS 01.-
11 10.070(c).

Sandra
5-7-86

1 HB 6411

Nancy Dunn Bill Larson + Jerry Donaldson

- Bd will support repeal of controlled substance registration. "If don't ^{do} registration, don't need Executive Secretary!"

- Duplicative. Has been leverage in Bd's effort ^{to get} ~~Exec Sec~~
Waste of \$ ^{costs \$10 to register in state} Dep! must enforce registration that has no purpose

- Occ Lic + Dept Law support repeal. ^{Leg Auc't} ~~purpose~~ repeal.

- Public Safety does enforcement -

don't need registration. Do need to be ^{prosecutorial authority} able to call a federal violation a state one. DEA isn't enforcing fed. laws in state - Public Safety.

Pb Safe calls DEA to see if guy federally registered
Occ Lic has copy of fed. reg.

support repeal
Bd
5 mg Bd
ed Bd
ntal Bd

* preferred
Gail Horvetski or Pete Paellich

← Bd. concerned about controlled substance 'cause thought would bog down continuation bill.

Marijuana Therapeutic Research

has been determined marijuana isn't the drug of preference for glaucoma treatment, feds. have now scheduled marijuana substitute - available w/out going through committee process.



Alaska State Legislature
House of Representatives
COMMITTEE ON HEALTH, EDUCATION
AND SOCIAL SERVICES

OFFICIAL BUSINESS

POUCH
JUNEAU, AK 998
465-375

March 25, 1986

Representative Ben Grussendorf
Speaker of the House
P.O. Box V
Juneau, Alaska 99811

Dear Mr. Speaker:

The House Committee on Health, Education and Social Services has considered the Sunset Review of the Board of Pharmacy, and recommends that the board be continued. Representative Max Gruenberg, Co-Chair of the committee, has introduced HB 641, to fulfill some of the findings of the Division of Legislative Audit.

As required by AS 44.60.050 (c), the Committee submits the following findings:

(1) the extent to which the board, commission or program has operated in the public interest.

The board has held three public meetings a year, administers a yearly licensing examination and has passed regulations concerning dangerous drugs, continuing education as proof of continued competency, false or misleading advertising of drugs and prepackaging of drugs in hospital drug rooms.

(2) the extent to which the operation of the board, commission or agency program has been impeded or enhanced by existing statutes, procedures, and practices which it has adopted, and any other matter, including budgetary, resource, and personnel matters.

Prior audit recommendation (1983) was that continuing competency regulations are too stringent and should be changed. The regulations require nonacademic programs to have an examination or another method of assuring satisfactory completion of the program before credit will be given. Continued competency regulations may also be waived for chronic illness, retirement, military service or hardship.

The 1985 audit states that the board believes the regulations to be arbitrary or unreasonable and should be changed since the board has deviated from their written policy in accepting nonregulation credits. Legislative Audit also believes it is more reasonable to require

individuals who have been chronically ill, retired or in the military to demonstrate continued competency than those who have not interrupted their practice. These recommendations were accomplished by the board in August of 1985.

- (3) the extent to which the board, commission or agency has recommended statutory changes which are generally of benefit to the public interest.

The board succeeded in having various obsolete or vague statutory requirements repealed which provided for smoother operation of the board. The board also was instrumental in passage of the controlled substances registration and the Marijuana Therapeutic Research Program which are currently recommended, by Legislative Audit, for repeal.

- (4) the extent to which the board, commission or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service which it has provided.

Board meetings are announced to the public. Comments on regulation changes are solicited by announcement in public newspapers. The board does not actively solicit comments on its effectiveness.

- (5) the extent to which the board, commission or agency has encouraged public participation in the making of its regulations and decisions.

The board announces proposed regulation changes or additions in newspapers according to the Administrative Procedures Act.

- (6) the efficiency with which public inquiries or complaints regarding the activities of the board, commission or agency filed with it, with the department to which the board or commission is administratively assigned, or with the office of the ombudsman have been processed or resolved.

No problems were found by Legislative Audit.

- (7) the extent to which the board or commission which regulates entry into an occupation or profession has presented qualified applicants to serve the public.

The board has licensed 83 pharmacists in the last three years, all but eight were licensed by credentials. Legislative Audit found no instances where the board licensed unqualified practitioners.

- (8) the extent to which state personnel practices, including affirmative action practices, have been complied with by the board, commission or agency to its own activities and the area of activity or interest.

Applications for licensure as a pharmacist require information and photographs which the Division of Equal Employment Opportunity believes may not be necessary to determine the qualifications of the applicant.

- (9) the extent to which statutory, regulatory, budgeting or other changes are necessary to enable the agency, board or commission to better serve the

interests of the public and to comply with the factors enumerated in this subsection.

Legislative Audit found that state registration under the Controlled Substances Act is duplicative of the Federal Drug Enforcement Agency, unnecessary for litigation and costly for the state and that the board should recommend legislation to eliminate state registration.

The 1983 Audit recommendation that legislation be introduced to clarify the investigatory powers of the board and the Division was never accomplished, but has been incorporated into CSHB 641 (HESS)

The Audit also recommends repeal of the Marijuana Therapeutic Research Program since it was not accomplished in a timely fashion. The repeal is included in CSHB 641.

As required by AS 44.60.050 (d), the Committee submits the following findings:

(1) an identification of the problems or the needs that the programs and activities of the board, commission or agency are intended to address.

The board should recommend legislation to regulate pharmacy technicians. Although the Legislative Audit recommended the repeal of controlled substances registration, the committee has not addressed that issue, feeling that it will require further study.

(2) a statement, to the extent practicable, of the objectives of the program of the board, commission, or agency program, and its anticipated accomplishments.

The purpose of the board is to license qualified applicants, inspect pharmacies and adopt needed regulations.

(3) an identification of any other programs having similar, conflicting or duplicate objectives.

There are no other agencies which license pharmacists. The Department of Public Safety is the lead agency in enforcement of the Controlled Substances Act, and should be given the responsibilities currently assigned to the Board of Pharmacy which are necessary and do not duplicate federal DEA activity.

(4) an assessment of alternative methods of achieving the purposes of the program.

The Committee did not consider any alternatives for licensure. The Committee did consider the recommendations of the Departments of Law, Public Safety and Commerce and Economic Development for rewriting aspects of the Controlled Substances Act, but did not adopt these provisions because of opposition from members of the board, reserving the issue for possible future legislation.

(5) an assessment of the consequences of eliminating the board, commission or program and consolidating its activities with another program, or of funding it at a lower level.

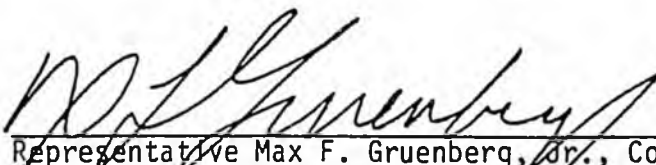
Eliminating the board would remove licensing mechanisms, which are designed to assure that practitioners are competent to practice. The Committee did not consider funding for the board since legislation was passed last year to require licensing boards to alter fees in order to support board expenses.

(6) a justification for the recommended continuation or extension of the board, commission or program, and an explanation of the manner in which it avoids duplication of or conflict with other efforts.

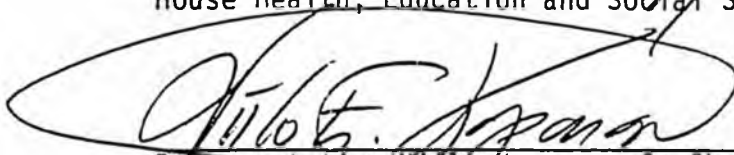
The board should be continued because the regulation and licensing of qualified professional pharmacists is necessary to protect the public's health, safety and welfare. There are no other agencies which regulate pharmacists.

(7) any other information which, in the opinion of the committee, would improve the performance of the board, commission or agency with respect to its representation of and responsiveness to the public interest.

The Committee has no further recommendations.



Representative Max F. Gruenberg, Jr., Co-Chair
House Health, Education and Social Services Committee



Representative Niilo Koponen, Co-Chair
House Health, Education and Social Services Committee

Sandra
2-18-86

never used - 1 physician
who wanted to - patient
died before ^{3d} got everything
worked out.

Pharmacy Audit

other substances
& less chance of abuse

* 2534
LARSON -
REPEAL

propose
repeal:

Occ. Lic., DCED Jenny Strickler
for cancer & glaucoma
marijuana. Therapeutic program

marinol, synthetic marijuana
capsule - approved by FDA, will
be available thru pharmacy -
prescription.

IF NO STATE REGISTRATION,
NO AUTHORITY TO ENFORCE. FED.
INVESTIGATOR WOULD HAVE TO DO IT -
DON'T HAVE MANPOWER.

controlled substance registration
really pushed by Chuck Bush, past member. He's still determined.

+ no on exec. sec. Bd. won't propose. Very controversial.

This is why Bd. is in wind-down year!

338-5035

William Larson, DCED

fees
\$200/4 yrs.

fill out form when purchase
controlled substance.
Who responsible for investigation/enforcement?

1 bd. mtg. yr.
Div Occ's Activities, ators
not familiar w/ pharmacy.
Linked to Controlled Substances Act.

If repeal registration, repeal whole
Controlled Substance Act.
on books since 1980 - never been
implemented.

* 3830

Legislative Audit

Jemy Wilkerson

Notified. Will not attend.

Tom Miklautsch

456-8679

456-7606

out of town this week. Gave info. to his secretary.

Lt. Tom Sterns

269-5505

Narcotics Coordinator, Pub. Safe.

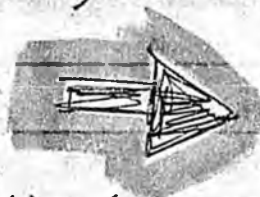
State unable to enforce if don't register? NO

Public Safety investigate & enforce

Fed gov. requires records be kept by pharmacists

If overprescribing controlled substances, OPS investigate.

work closely w/ Fed. gov. in investigating.



3000

Rete Trallich, A.G.

- repeal registration only, not whole statute.
Add lang. saying need federal registration + affirmative defense in commis-
sional code that have fed. number. Public safety does investigation & enforced.

House bills: Marou & Shuenberg

last yr. HB 122 extended -> '85; we have HB 123 in Committee

teleconference Fbx. & Anch.

Called back 2/20/86.
Had spoken to DEA + ^{Gwen Byington, Anch.} Dept. Law

repeal of Article I? ~~Concern~~ Feds. want drug enforcement control at state level.
Wouldn't affect Public Safety's ability to do investigation + enforcement.
Duplicating fed-gov.'s efforts.

If ^{DEA} feds pull out of investigation altogether, would be beneficial to have records at state level (to facilitate investigation).

Bd's role only to keep records + check application backgrounds on people.
After fed or state criminal action, Bd. could revoke license, etc.
Only kind of investigation involved in is falsification of applications.

DEA has no cases in Alaska in this regard.
No contact w/ Pharmacy Bd. in the 3 yrs. he's headed the narcotics division.

Pete received memo from criminal division (2/27/86) He's preparing memo to committee in Article I, only section 080 should be retained.

↳ He should have memo to us by Tues, March

STATE OF ALASKA

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

DIVISION OF OCCUPATIONAL LICENSING

BILL SHEFFIELD, GOVERNOR

POUCH D
JUNEAU, ALASKA 99811
PHONE: (907) 465-2534

March 5, 1986

Honorable Bettye Fahrenkamp
Chairman
Health, Education and Social
Services Committee
Alaska State Senate
P O Box V
Juneau, AK 99811

Dear Senator Fahrenkamp:

At the request of your aide, Sandra Schubert, we have prepared a chronology of the implementation of the Controlled Substances Act with respect to the original fiscal note; current status of funding for items included in that fiscal note; responsibilities of the Investigator initially funded by that fiscal note; and adoption of the regulations.

We hope the committee will find this information useful. If we can be of further assistance, please contact this office.

Sincerely,



Nancy Dunn
Director

ND/sa1694s
30686a

Enclosures

CONTROLLED SUBSTANCES ACT

PASSAGE OF BILL

CCSSB 190:

- 5/05/81 - SB 190 passed the Senate
- 4/20/82 - CSSB 190 passed the House with Letter of Intent
- 4/22/82 - CCSSB 190 approved by the Senate, sent for enrollment, and notification to the House
- 5/20/82 - Approved by the Governor, Chapter 45, SLA 1982
- 1/01/83 - Effective date

FISCAL NOTE (HB 180 version)

\$155.6 vetoed down to \$75.0 (Ch. 139, SLA 1982)

-Regulations Specialist	\$ 21.5
-Patient Qualification Review Committee	3.6
-Investigator III	49.9
	<u>\$ 75.0</u>

Administration Component:

Regulations Specialist - Hired 4/13/83 to 6/30/84
(Position authorized for 12 months, however, funding under the veto was reduced to six months.)

Personal Services	\$ 15.9
Contractual	2.9
Equipment	2.1
Space Rent	.6
	<u>\$ 21.5</u>

(Funding for this position were deleted from the FY 85 budget.)

Board Component:

Travel for Patient Qualification - Review Committee	\$ 3.6
---	--------

(Funds were deleted in the FY 85 budget; authorized total went from \$160.4 in FY 84 to \$95.0 in FY 85.)

Investigations Component:

Two Investigator III positions were authorized by the HB 180 fiscal note however, the veto deleted funding for one of the two positions.

Investigator III - Hired 6/28/84 to present. (This position is currently funded in Occupational Licensing.)

Personal Services	\$ 43.8
Travel	1.6
Equipment	3.3
Space rental	1.2
	<u>\$ 49.9</u>

(Funds for Equipment and Space Rental were deleted from the FY 85 budget.)

12/5/83 Complete regulation project was sent to the Department of Law for review and filing.

12/21/83 Letter from Kay Gouwens, AAG to Chairman of the Pharmacy Board was sent stating that the regulation project was disapproved for filing because of inconsistency with the authorizing statute.

12/30/83 Regs. Specialist received a copy of a letter from Kay Gouwens, AAG to the Chairman of the Pharmacy Board with a revised proposed draft of the regulations.

2/7/84 Regs. Specialist met with Kay Gouwens to combine Ms. Gouwens' draft with the draft adopted by the board on October 28, 1983.

2/17/84 Regs. Specialist received a typed version of the combined draft from Ms. Gouwens. The typed version was not the version that was prepared and agreed upon at the 2/7/84 meeting.

2/22/84 Regs. Specialist submitted to the board:
a) the draft she prepared using Kay Gouwens' suggestions;
b) Kay Gouwens revised proposal.

2/23/84 The board adopted (b) Kay Gouwens' revised proposal.

3/13/84 The complete file was sent to the Department of Law for review and filing.

4/17/84 Regs. Specialist received a copy of an entirely new rewrite of the regulations from Kay Gouwens consisting of all previous versions of the regulation project including the drafts adopted by the board on 10/28/83 and 2/23/84, in addition to new changes. Changes to the content and meaning of the regulation project were substantial and differed from the public notice.

At this point, the regulation project remained in the Attorney General's Office for further action.

11/30/84 The regulations were reviewed by Pete Froehlich, AAG and filed with the Lieutenant Governor.

12/30/84 Effective date of regulations.

References:

Senate Journal 1981, pg. 957
Senate Journal 1982, pg. 983
Senate Journal 1982, pg. 1010
Session Laws Sec. 23, Ch. 45, SLA 1982
Fiscal Note HB 180 version
Conference Committee Report for 1983, pgs. 16-21
Chapter 139, SLA 1982 (CSSB 746(Fin) am H)
May 2, 1984 memorandum from Marion Hardy, Regs. Spec. to Harry Treager,
Director
March 4, 1984 note from Darrell Miller, Regs. Spec. to Harry Treager,
Director
November 30, 1984 memo from Pete Froehlich, AAG to Richard Lyon,
Commissioner, Department of Commerce and Economic Development

0051m

Alaska State Legislature

file HB 641

BETTYE FAHRENKAMP, Chairman
ARLISS STURGULEWSKI, Vice Chairman
JOE JOSEPHSON
PAUL FISCHER
EDNA ARMSTRONG-DE VRIES



P. O. BOX V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3762

Senate Committee on Health, Education and Social Services

Sandra

M E M O R A N D U M

TO: Members, Senate Committee on Health, Education and Social Services

FROM: Committee Staff

RE: Committee Meeting, May 8, 1986

DATE: May 7, 1986

On Thursday, May 8, 1986 from 1:30-3:30 p.m. in the Beltz Room, the Senate Committee on Health, Education and Social Services will hear the following bills:

CSHB 641 (HESS) am Relating to generic drugs, pharmaceuticals, and the Board of Pharmacy; repealing the marijuana therapeutic research program.

HB 641 would extend the Board of Pharmacy through 1989 and make other revisions to the pharmacy statute as recommended by the legislative audit:

1) Repeal the Marijuana Therapeutic Research Program, under which the Board is to approve patients for the use of marijuana and its active ingredient (THC) in the treatment of glaucoma and in cancer chemotherapy. The need for the program has been diminished by recent FDA approval of Marinol, a new THC drug, which is currently available through Providence Hospital in Anchorage.

2) Provide that a generic drug may be substituted unless the prescriber expressly states that the prescription is to be filled as written. Current statute allows substitution only if the prescriber specifically requests it.

The attached amendment would remove the requirement that people who handle controlled substances in Alaska register with both the state and federal governments, and amend state law to specifically provide that federal registration requirements must be met. This was recommended by the legislative audit.

At its March 5 sunset review of the Board, the Senate Committee on Health, Education and Social Services did recommend its continuation. The Board terminated June 30, 1985 and has until June 30, 1986 to conclude its affairs.

HCR 61 am Relating to access to basic health care services for Alaskans.

HCR 61 requests the Governor to direct the Department of Health and Social Services to identify potential means and costs of providing for the health care needs of Alaskans who do not have adequate health care protection. It is anticipated that funding support for the study will come from a grant from the Robert Wood Johnson Foundation, and that the House Research Agency and legislative staff will cooperate in the effort. The resolution calls for the results of the study to be submitted to the legislature by March 1, 1987.

SB 415 Relating to school board composition.

SB 415 would exempt Rural Education Attendance Areas (REAs) that convert to city or borough school districts from statutory provisions that govern the number of members who may serve on a city/borough school board. Current statute provides, for city/borough districts with less than 5000 students, a 5 member board; for city/borough districts with more than 5000 students, a 7, 9, or 11-member board; and for REAs, a 5, 7, 9, or 11-member board.

The bill is intended to address the conversion of the Northwest Arctic REAA in Kotzebue to a borough school district. The REAA currently has an 11-member board; existing statute would require that the board be reduced to five members.

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: CSHB 641
 Title: An Act relating to generic drugs, pharmaceuticals, and the Board of Pharmacy;
 Sponsor: Rep. Gruenberg
 Requester: House HESS
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Commerce & Economic Dev.
 BRU: Occupational Licensing
 Components: _____

EXPENDITURES / REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		-0-	-0-	-0-	-0-	-0-
TRAVEL		-0-	-0-	-0-	-0-	-0-
CONTRACTUAL		-0-	-0-	-0-	-0-	-0-
SUPPLIES		-0-	-0-	-0-	-0-	-0-
EQUIPMENT		-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		-0-	-0-	-0-	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

REVENUE		-0-	-0-	-0-	-0-	-0-
---------	--	-----	-----	-----	-----	-----

FUNDING: (Thousands of dollars)

GENERAL FUND		-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL		-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULLTIME		-0-	-0-	-0-	-0-	-0-
PARTTIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary.

The bill extends the Board of Pharmacy to June 30, 1989, grants pharmacists the authority to fill prescriptions using generic drugs, and repeals the Marijuana Therapeutic Research Program.

This bill is not expected to generate new costs or revenues.

Prepared by: Jennifer Strickler, Management Analyst
 Division: Occupational Licensing

Phone: 465-2144

Date: 3-25-86

Approved by Commissioner: Loren H. Lounsbury

Date: 3/25/86

Agency: Commerce and Economic Development

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: HB641
 Title: An act relating to generic drug pharmaceuticals and Board of Pharmacy and providing for an effective date.
 Sponsor: Gruenburg
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Dept. of Health & Social Services
 BRU: Medical Assistance Non-Facility

 Components: GRM Non-Facility

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS		-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS						
TOTAL OPERATING		-0-	-0-	-0-	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL		-0-	-0-	-0-	-0-	-0-

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

The Department has submitted to the Governor an FY87 Budget Amendment of \$2.5 million for an FY87 Pharmacy Program. One of the assumptions included in the amendment was the substitution of generic drug products for more expensive brand name products.

Prepared by: Rod Betit, Director *R Betit* Phone: 465-3355 *JC*
 Division: Medical Assistance Date: 3/4/86

Approved by Commissioner: *J. R. ...* Date: 3/6/86
 Agency: Department of Health & Social Services

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agencies

Alaska State Legislature

BETTYE FAHRENKAMP, Chairman
ARLISS STURGULEWSKI, Vice Chairman
JOE JOSEPHSON
PAUL FISCHER
EDNA ARMSTRONG-DE VRIES



P. O. BOX V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3762

Senate Committee on Health, Education and Social Services

M E M O R A N D U M

TO: Senator Bennett, Senate President

FROM: Senator Fahrenkamp, Chairman
Senate Committee on Health, Education and Social Services

RE: Board of Pharmacy

DATE: March 5, 1986

Pursuant to your referral under AS 44.60.050 and AS.03.010, the Senate Committee on Health, Education and Social Services has had under review the Board of Pharmacy.

As required by statute, a public hearing was held on the review of this Board. The Committee considered the findings and recommendations of the Legislative Audit Division and has examined the proposed budget for the Board.

After careful analysis, the Committee is recommending that the Board of Pharmacy be extended for another four year period. Legislation to extend the Board has been introduced.

Senator Fahrenkamp, Chairman

Handwritten signature of Bettye Fahrenkamp in cursive script, underlined.

Senator Sturgulewski, Vice Chairman

Handwritten signature of Arliss Sturgulewski in cursive script, underlined.

Senator Josephson

Handwritten signature of Joe Josephson in cursive script, underlined.

Senator Devries

Handwritten signature of Edna Armstrong-De Vries in cursive script, underlined.

Senator P. Fischer

Handwritten signature of Paul Fischer in cursive script, underlined.

prepared Leg Audit
2-19-86

BOARD OF PHARMACY INFORMATION

	<u>FY 84</u>	<u>FY 85</u>
Number of Meetings	1 Anchorage <u>2 Juneau</u>	1 Anchorage <u>1 Juneau</u>
Total	3	2
Number Taking Exam	2 Pass <u>0 Fail</u>	1 Pass <u>1 Fail</u>
Total	2	2

The exam is given once a year in June. The number of licenses at the end of FY 85 was 428. During FY 85 there were 26 licenses issued (24 by reciprocity).

Phar. Bd

Alaska State Legislature

BETTYE FAHRENKAMP, Chairman
ARLISS STURGULEWSKI, Vice Chairman
JOE JOSEPHSON
PAUL FISCHER
EDNA ARMSTRONG-DE VRIES



POUCH V
STATE CAPITAL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3762

Senate Committee on Health, Education and Social Services

March 25, 1986

Jacki Warren
Alaska Pharmaceutical Association
P.O. Box 10-1185
Anchorage, AK 99510

Dear Jacki:

Thank you for your recommendations regarding the State Board of Pharmacy.

As you may know, the Senate Committee on Health, Education and Social Services, which I chair, has recommended that the Board be continued for another four years. The legislation that would accomplish this, and that also addresses the findings of the sunset audit, is currently under review by the House. I do expect it to be referred to my committee once it reaches the Senate, and assure you I will keep your views in mind as we begin our deliberations on it.

Again, I appreciate receiving your comments.

Sincerely,

Bettye
Bettye Fahrenkamp
Chairman

BF/ss

MAR 14 1986



ALASKA PHARMACEUTICAL ASSOCIATION

Box 10-1185 Anchorage, Alaska 99510

March 11, 1986

Letters P14

The Honorable Bettye Fahrenkamp
United States Senator
Capitol Room 125
Post Office Box V
Juneau, Alaska 99811

Dear Senator Fahrenkamp:

The Board of the Alaska Pharmaceutical Association agrees with the recommendation of the State's follow-up "sunset" review which states that the State Board of Pharmacy should be re-established. Please consider also our comments on the findings and recommendations of this review. Basic to our comments is the realization that funding of the Board is extremely limited and actions expected of the Board must keep this in mind.

Recommendation #1: State Registration for Controlled Substances

While much confusion surrounded this first attempt at State registration, the process itself is very simple and not burdensome. The license should be treated as permission to do work, not as an information source as the review seems to do. The basic issue is - can the State Board of Pharmacy restrict the manufacture, distribution and dispensing of a Controlled Substance within the State without state registration. The Senate Health, Education and Social Services Committee should know the answer to the question "How will the State Board of Pharmacy restrict the privileges of a pharmacist, physician or dentist who is abusing controlled substances if the individual is practicing under a federal rather than state license." If the answer is clear, then the recommendation is reasonable.

Prior Recommendation #3:

Investigational responsibility still seems less than clear. Expert knowledge is essential to a fair investigation. The Association is not aware of any such expertise within the Department of Occupational licensing.

Prior Recommendation #4:

The Association wholly supports this recommendation. It is essential that new members are appointed promptly to promote continuity and communications within the Board and the profession.

Medicaid Drug Program:

This is not a State Board of Pharmacy issue and there is no justification for it being addressed in this report. The report simply served as an inappropriate vehicle to express the opinion of the legislative auditor. All reference to it should be stricken.

Executive Secretary:

State registration under the Controlled Substances Act and the ability to conduct adequate and fair investigations are central to this staffing issue. As previously stated, the Association has not been made aware of any such expertise in existence in the Department of Occupational Licensing. This expertise is essential to the regulation of the profession and the Controlled Substance Act.

Thank you very much for your consideration of our opinions.

Sincerely,



Jacki Warren
Immediate Past President
Alaska Pharmaceutical Association

cc: Senator Jan Faiks


William P. Larson, Pharmacist
President, State Board of Pharmacy

file ~~BS~~
Pharmacy Bd

March 7, 1986

M E M O R A N D U M

TO: Nancy Bennett, Legislative Aide
House HESS Committee

FROM: Peter B. Froehlich 
Assistant Attorney General

RE: Attached revised 1st page of proposed amendment to
HB 641 re controlled substances

As I mentioned to you this morning, after further consultation with the Department of Public Safety, we have a change to page 1 of the amendment attached to my memo to you yesterday. A new page 1 is therefore attached.

The change was agreed upon by Deputy Commissioner James Vaden and Narcotics Unit Sgt. James Grimes of the Department of Public Safety in conversations with special assistant Gwen Byington of the criminal division of the Department of Law. It would eliminate the requirement that controlled substances registrants provide evidence of their federal registration to a state agency. This eliminates a burden on both the registrant and the state agency without infringing on the efficiency of enforcement. Investigators could ask either the registrants or the DEA for evidence of registration and other records when necessary.

We apologize for this late change, but it is definitely a further improvement.

HMB:PBF:pjg

cc w/enc.: Sandra Schubert
Assistant to Senate HESS Committee

Nancy Dunn, Director
Division of Occupational Licensing
Dept of Commerce & Econ. Development

Gayle Horetski, Asst. Attorney General
Criminal Division, Department of Law
Juneau

cc w/enc.: (continued)

Kay Gouwens, Asst. Attorney General
Civil Division, Department of Law
Juneau

Gwen Byington, Special Assistant
Criminal Division, Department of Law
Anchorage

Rhonda Butterfield Roberson
Asst. District Attorney -- Anchorage

James Vaden, Deputy Commissioner
Department of Public Safety

William Larson, R.Ph., President
Board of Pharmacy

T.L. Conley, M.D., Chair
State Medical Board

Paul Buxton, D.D.S., Chair
Dental Board

Pam Tuomi, D.V.M., Acting Chair
Veterinary Board

Eileen Montano, R.N., Chair
Nursing Board

PROPOSED AMENDMENT
Department of Law, 3/6/86

Offered in the HOUSE HESS COMMITTEE

By _____

TO: HB 641

Page 1, line 7, following "Pharmacy":

Insert "amending the controlled substances Act;"

Page 2, between lines 8 and 9:

Insert the following:

- * Sec. 4. AS 17.30.010 is repealed.
- * Sec. 5. AS 17.30.020(a) is amended to read:
 - (a) A person who manufactures, distributes, dispenses, or conducts research with a controlled substance in the state [OR WHO PROPOSES TO MANUFACTURE, DISTRIBUTE, OR DISPENSE A CONTROLLED SUBSTANCE IN THE STATE,] shall [REGISTER ANNUALLY WITH THE BOARD IN ACCORDANCE WITH REGULATIONS ADOPTED UNDER AS 17.30.010] comply with the requirements of the federal Constrolled Substances Act, 21 U.S.C. sec. 811 -- 830, and the regulations adopted under those sections, 21 CFR 1301 -- 1311.
- * Sec. 6. AS 17.30.020(b) -- (e) are repealed.
- * Sec. 7. AS 17.30.020(f) is amended to read:
 - (f) The Department of Public Safety [BOARD] may inspect the establishment of a registrant [OR APPLICATION FOR REGISTRATION IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE BOARD].
- * Sec. 8. AS 17.30.030 is repealed.
- * Sec. 9. AS 17.30.040 is repealed.
- * Sec. 10. AS 17.30.050 is repealed.
- * Sec. 11. AS 17.30.060 is amended to read:

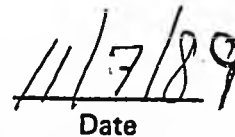


RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.


Signature of Camera Operator


Date

H B

6 8 8

Senate Health, Education and Social Services Committee

Legislation Checklist

Bill number: HB 688

Sponsor: Gruenberg, et. al

Date referred to committee: 5/4/80

Synopsis completed:

Fiscal note:

Further referrals:

CONTACTS:

✓ Gruenberg 3759

✓ Brian Rogers, Wendy Redman

✓ ^{Mary Nordale} Dept Revenue x2301 (Royce)

HB 688

CS HB 688(Fin) An Act allowing tax credits for contributions to educational institutions.

HB 688 would allow a tax credit of up to \$10,000 for contributions made to a qualified college or university in the state. The credit would apply to personal income tax, oil and gas production tax, oil and gas property tax, mining business tax, raw fish tax, and estate tax. The bill specifies that the cash received by the college or university must be spent on direct instruction, spent within a year of receiving it, and not be used for an endowment. Intent language in the bill provides for contributions received by colleges or universities to be offset by a reduction in legislative appropriations.

The bill is intended to provide a new revenue stream for higher education in Alaska during this period of declining revenues.

Offered: 4/25/86
Referred: Rules

ADOPTED
BY SENATE
H.E.S.S.

Original sponsors: Gruenberg, Koponen,
Ringstad, et al

1 IN THE HOUSE

~~BY THE FINANCE COMMITTEE~~

2

SCS CS FOR HOUSE BILL NO. 638 (Finance)(HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act allowing tax credits for contributions to
educational institutions."

7

8

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9

* Section 1. PURPOSE. It is the purpose of this Act to provide col-

leges and universities with a private source of funding for direct instruc-
tion, ~~and instructional support purposes~~ ^{research, and educational} ^{including library + museum acquisitions,}
during this period of declining
state revenue.

12

13

~~* Sec. 2. INTENT. It is the intent of the legislature that contri-~~

14

~~butions received by a public college or university under this Act may be~~

15

~~offset by the legislature in appropriations to the public college or uni-~~

16

~~versity in future years.~~

17

* Sec. 3. AS 43.20 is amended by adding a new section to read:

18

Sec. 43.20.014. INCOME TAX EDUCATION CREDIT. (a) A taxpayer is

19

allowed as a credit against the tax due under this chapter 50 percent
of cash contributions accepted for direct instruction, ^{research, and educational} ~~and instruction~~

20

^{including library and museum acquisitions}
~~at support purposes~~ by an accredited, nonprofit, public or private,

21

Alaska, two- or four-year, college or university. The credit may not

22

exceed the lesser of 10 percent of the amount of tax due under this

23

chapter or \$10,000. A contribution claimed as a credit under this

24

section may not be claimed as a credit under another provision of this

25

title. A deduction is not allowed under 26 U.S.C. 170, where the

26

credit provided by this section is claimed.

27

~~(b) A public college or university that accepts a contribution~~

28

^{Contributions accepted for endowment purposes are not}
eligible for the credit under (a) of this section.

29

~~under this section may only spend the cash received for direct~~

By September 30 of each year, the Department of Revenue shall report to the Legislative Budget & Audit Committee on the credits taken under this section. Each public college and university shall include in its annual operating budget request on contributions received and how the contributions were used.

~~instruction and instructional support purposes, and must spend the amount within one year of receiving it. The cash received may not be put in an endowment.~~

~~(c) By September 30 of each year each public college or university shall report to the Legislative Budget and Audit Committee the contributions received under this section and how the contributions were spent.~~

* Sec. 4. AS 43.20.036 is amended by adding a new subsection to read:

(j) For purposes of calculating the tax payable under this chapter, a deduction under 26 U.S.C. 170 may only be taken if payment is made on or before the last day of the taxable year.

* Sec. 5. ~~AS 43.31 is amended by adding a new section to read:~~

~~Sec. 43.31.014. ESTATE EDUCATION CREDIT. (a) The estate of a person who was a resident at the time of death, is allowed as a credit against the tax due under this chapter 50 percent of cash bequests accepted for direct instruction and instructional support purposes by an accredited, nonprofit, public or private, Alaska, two or four-year, college or university. The credit may not exceed the lesser of 10 percent of the amount of tax due under this chapter or \$10,000. A contribution claimed as a credit under this section may not be claimed as a credit under another provision of this title.~~

~~(b) By September 30 of each year each public college or university shall report to the Legislative Budget and Audit Committee the contributions received under this section and how the contributions were spent.~~

* Sec. 6. AS 43.55 is amended by adding a new section to read:

Sec. 43.55.019. OIL OR GAS PRODUCER EDUCATION CREDIT. (a) A producer of oil or gas is allowed as a credit against the tax due under this chapter 50 percent of cash contributions accepted for

research, and educational

including library & museum acquisitions,

1 direct instruction, ~~and instructional~~ support purposes, by an accredit-
 2 ed, nonprofit, public or private, Alaska, two- or four-year, college
 3 or university. The credit may only be applied against the tax liabil-
 4 ity accruing during the month the contribution is made. The credit
 5 may not exceed the lesser of 10 percent of the amount of tax due under
 6 this chapter or \$1,000. A contribution claimed as a credit under this
 7 section may not be claimed as a credit under another provision of this
 8 title.

Same language as
 p. 1,
 lines 28-29

9 ~~(b) A public college or university that accepts a contribution~~
 10 ~~under this section may only spend the cash received for direct in-~~
 11 ~~struction and instructional support purposes, and must spend the~~
 12 ~~amount within one year of receiving it. The cash received may not be~~
 13 ~~put in an endowment.~~

Same language as
 p. 2,
 line 4

14 ~~(c) By September 30 of each year each public college or~~
 15 ~~university shall report to the Legislative Budget and Audit Committee~~
 16 ~~the contributions received under this section and how the~~
 17 ~~contributions were spent.~~

18 * Sec. 7. AS 43.56 is amended by adding a new section to read:

19 Sec. 43.56.018. OIL OR GAS PROPERTY EDUCATION CREDIT. (a) The
 20 owner of property taxable under this chapter is allowed as a credit
 21 against the tax due under this chapter 50 percent of cash contribu-
 22 tions accepted for direct instruction, ^{research, and educational} ~~and instructional~~ support pur-
 23 poses, ^{including library & museum acquisitions,} by an accredited, nonprofit, public or private, Alaska, two- or
 24 four-year, college or university. The credit may only be applied
 25 against the tax liability accruing during the month the contribution
 26 is made. The credit may not exceed the lesser of 10 percent of the
 27 amount of tax due under this chapter or \$1,000. A contribution
 28 claimed as a credit under this section may not be claimed as a credit
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same language as p.1, lines 28-29

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same language as p.2, line 4

~~(c) By September 30 of each year each public college or university shall report to the Legislative Budget and Audit Committee the contributions received under this section and how the contributions were spent.~~

* Sec. 8. AS 43.65 is amended by adding a new section to read:

Sec. 43.65.018. MINING BUSINESS EDUCATION CREDIT. (a) A person engaged in the business of mining in the state is allowed as a credit against the tax due under this chapter 50 percent of cash contributions accepted for direct instruction, ^{research, and ~~educational~~ educational} ~~and instructional~~ support purposes, ^{including library & museum acquisitions,} by an accredited, nonprofit, public or private, Alaska, two- or four-year, college or university. The credit may not exceed the lesser of 10 percent of the amount of tax due under this chapter or \$10,000. A contribution claimed as a credit under this section may not be claimed as a credit under another provision of this title.

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same language as p.2, line 4

~~(c) By September 30 of each year each public college or university shall report to the Legislative Budget and Audit Committee the contributions received under this section and how the contributions were spent.~~

* Sec. 9. AS 43.75 is amended by adding a new section to read:

1 Sec. 43.75.018. FISHERIES BUSINESS EDUCATION CREDIT. (a) A
2 person engaged in a fisheries business is allowed as a credit against
3 the tax due under this chapter 50 percent of cash contributions ac-
4 cepted for direct instruction^{research and educational} and instructional support purposes^{including library an} by an ^{museu}
5 accredited, nonprofit, public or private, Alaska, two- or four-year, ^{acquisit}
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9 as a credit under another provision of this title.

Same
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14 ~~put in an endowment.~~

Same
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as p. 2,
line 4

15 ~~(c) By September 30 of each year each public college or~~
16 ~~university shall report to the Legislative Budget and Audit Committee~~
17 ~~the contributions received and how the contributions were spent.~~

18 * Sec. 10. AS 43.75.130 is amended by adding a new subsection to read:

19 (b) In this section, "tax revenue collected" includes the amount
20 credited against taxes under AS 43.75.018.

21 * Sec. 11. The provisions of this Act apply to contributions made after
22 December 31, 1986.

Offered: 4/25/86
Referred: Rules

Original sponsors: Gruenberg, Koponen,
Ringstad, et al

1 IN THE HOUSE BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 688 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act allowing tax credits for contributions to
7 educational institutions."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. PURPOSE. It is the purpose of this Act to provide col-
10 leges and universities with a private source of funding for direct instruc-
11 tion and instructional support purposes during this period of declining
12 state revenue.

13 * Sec. 2. INTENT. It is the intent of the legislature that contri-
14 butions received by a public college or university under this Act may be
15 offset by the legislature in appropriations to the public college or uni-
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23 exceed the lesser of 10 percent of the amount of tax due under this
24 chapter or \$10,000. A contribution claimed as a credit under this
25 section may not be claimed as a credit under another provision of this
26 title. A deduction is not allowed under 26 U.S.C. 170, where the
27 credit provided by this section is claimed.

28 (b) A public college or university that accepts a contribution
29 under this section may only spend the cash received for direct

1 instruction and instructional support purposes, and must spend the
2 amount within one year of receiving it. The cash received may not be
3 put in an endowment.

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1 Sec. 43.75.018. FISHERIES BUSINESS EDUCATION CREDIT. (a) A
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12 struction and instructional support purposes, and must spend the
13 amount within one year of receiving it. The cash received may not be
14 put in an endowment.

15 (c) By September 30 of each year each public college or
16 university shall report to the Legislative Budget and Audit Committee
17 the contributions received and how the contributions were spent.

18 * Sec. 10. AS 43.75.130 is amended by adding a new subsection to read:

19 (b) In this section, "tax revenue collected" includes the amount
20 credited against taxes under AS 43.75.018.

21 * Sec. 11. The provisions of this Act apply to contributions made after
22 December 31, 1986.

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

4/22/86
4/22/86

Revision Date: 4/22/86

REQUEST Page 1 of 2
 Bill/Resolution No.: CSHB 688(FIN) #1
 Title: Tax credits for educational institutions
 Sponsor: Gruenberg
 Requestor: House Finance Committee
 Date of Request: 4/22/86

FISCAL DETAIL
 Agency Affected: Revenue
 BRU: _____
 Components: _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		0	0	0	0	0
TRAVEL		0	0	0	0	0
CONTRACTUAL		0	0	0	0	0
SUPPLIES		0	0	0	0	0
EQUIPMENT		0	0	0	0	0
LAND & STRUCTURES		0	0	0	0	0
GRANTS, CLAIMS		0	0	0	0	0
MISCELLANEOUS		0	0	0	0	0
TOTAL OPERATING		0	0	0	0	0

CAPITAL		0	0	0	0	0
----------------	--	---	---	---	---	---

REVENUE		(---)	(---)	(---)	(---)	(---)
----------------	--	-------	-------	-------	-------	-------

FUNDING : (Thousands of Dollars)

GENERAL FUND		0	0	0	0	0
FEDERAL FUNDS		0	0	0	0	0
OTHER		0	0	0	0	0
TOTAL		0	0	0	0	0

POSITIONS :

FULL-TIME		0	0	0	0	0
PART-TIME		0	0	0	0	0
TEMPORARY		0	0	0	0	0

ANALYSIS :

There will be revenue loss from this bill but it is impossible to predict the actual loss since it depends on how many taxpayers use the credit and how much they choose to credit against their tax liabilities. If all current taxpayers took the maximum credit allowed, the annual revenue loss would be about \$7.6 million.

No funds are needed to operate the tax credit program provided for in this bill.

Prepared by: Al Adams, Chair *APA* Phone: 465-3706
 Division: House Finance Committee Date: 4/22/86

Approved by Commissioner: _____ Date: _____
 Agency: _____

0

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date: 4/22/86

REQUEST

Bill/Resolution No.: CSHB 688(FIN) #2
 Title: Tax credits for educational institutions
 Sponsor: Gruenberg
 Requestor: House Finance Committee
 Date of Request: 4/22/86

FISCAL DETAIL

Agency Affected: University
 BRU: _____
 Components: _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		---	---	---	---	---
TRAVEL		---	---	---	---	---
CONTRACTUAL		---	---	---	---	---
SUPPLIES		---	---	---	---	---
EQUIPMENT		---	---	---	---	---
LAND & STRUCTURES		---	---	---	---	---
GRANTS, CLAIMS		---	---	---	---	---
MISCELLANEOUS		---	---	---	---	---
TOTAL OPERATING		---	---	---	---	---
CAPITAL		--	---	---	---	---
REVENUE		---	---	---	---	---

FUNDING : (Thousands of Dollars)

GENERAL FUND		---	---	---	---	---
FEDERAL FUNDS		---	---	---	---	---
OTHER		---	---	---	---	---
TOTAL		---	---	---	---	---

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

The University will probably gain funds, which in turn will be used for operating expenses, from passage of this bill. The actual amount of funds earned is impossible to accurately predict. See fiscal note #1.

Prepared by: Al Adams, Chair Phone: 465-3706
 Division: House Finance Committee Date: 4/22/86

Approved by Commissioner: _____ Date: _____
 Agency: _____

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

purpose
Sec 1 & 2 - Intent - offset of

SECTIONAL ANALYSIS FOR HB 688 - RELATING TO TAX CREDITS FOR CONTRIBUTIONS TO EDUCATIONAL INSTITUTIONS

The aim of the bill is to provide a new revenue stream for higher education in Alaska, while providing considerable state and federal tax benefits for individuals making contributions.

allows an individual
SECTION ~~4~~ ³ Provides that a person engaged in ~~trade or business~~ ^{income} is allowed a credit against their tax due for 50% of their contribution to a qualified college or university.

not both
SECTION ~~4~~ ⁵ Provides that 10% of a bequest to a qualified college or university is allowed as a credit towards estate tax.

state tax credit & state tax deduction
SECTION ~~4~~ ⁶ Provides for a tax credit of 50% of the contribution to a qualified college or university for an oil and gas producer.

SECTION ~~4~~ ⁷ Provides for a tax credit of 50% of the contribution to a qualified college or university by an owner of taxable oil and gas property.

SECTION ~~4~~ ⁸ Provides for a tax credit of 50% of the contribution to a qualified college or university towards the mining business tax.

SECTION ~~4~~ ⁹ Provides for a tax credit of 50% of the contribution to a qualified college or university towards the state share of the raw fish tax.

SECTION ~~4~~ ¹⁰ Defines "tax revenue collected" under the raw fish tax.

Sec 11 - conts after 12/31/86 only

COMMITTEE REPORT
SENATE

FURTHER: FINANCE

5/4/86

Date 5-9-86

Mr. President

The Committee on HESS considered CSHB 688(Fin)
allowing tax credits for contributions to educational institutions.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt SCS for CSITB 608
- new title
- same title and recommends Do Pass
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

Arthur Stungala
Edw. D. Vies

MEMBERS HAVING
OTHER RECOMMENDATIONS

Patricia Stenhouse
Chairman

Chairman recommendation

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

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May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

HESS 5-9-86 9:10am