



# Division of Legislative Audit

## Report Digest #08-20068-10

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**SUMMARY OF:** A Sunset Review on the Department of Commerce, Community, and Economic Development (DCCED), Board of Barbers and Hairdressers (BBH), September 30, 2010

### PURPOSE OF THE REPORT

In accordance with Title 24 and Title 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities of BBH to determine if there is a demonstrated public need for its continued existence and if it has been operating in an efficient and effective manner. As required by AS 44.66.050(a), this report shall be considered by the committee of reference during the legislative oversight process in determining whether BBH should be reestablished. Currently, under AS 08.03.010(c)(4), the board will terminate on June 30, 2011, and will have one year from that date to conclude its administrative operations.

### REPORT CONCLUSIONS

BBH should continue to regulate barbers, hairdressers, estheticians, manicurists, tattooists/permanent cosmetic colorists, and body piercers. The board is serving the public interest by promoting the competence and integrity of those who provide services to the public under these professions. We recommend the legislature extend the board's termination date to June 30, 2019.

DCCED, Division of Corporations, Business and Professional Licensing's investigation unit did not address all investigations in a timely manner.

The current public board member is a licensed practitioner and therefore does not meet the statutory requirements.

### FINDINGS AND RECOMMENDATIONS

1. The division's chief investigator should take steps to ensure complaints and cases are investigated timely.
2. The current public board member should either surrender her license or be removed from the public board member position.



# Division of Legislative Audit

## Report Digest #08-20069-10

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**SUMMARY OF:** A Sunset Review on the Department of Commerce, Community, and Economic Development (DCCED), Board of Dental Examiners (BDE), September 30, 2010

### PURPOSE OF THE REPORT

In accordance with Title 24 and Title 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities of BDE. The purpose of this audit was to determine if there is a demonstrated public need for its continued existence and if it has been operating in an effective manner. As required by AS 44.66.050(a), this report shall be considered by the committee of reference during the legislative oversight process in determining whether the BDE should be re-established. Currently, under AS 08.03.010(c)(7), BDE will terminate on June 30, 2011, and will have one year from that date to conclude its administrative operations.

### REPORT CONCLUSIONS

BDE should continue to regulate dentists and dental hygienists. The board is serving the public's interest by promoting the competence and integrity of those who provide services to the public as licensed dentists and dental hygienists. We recommend the legislature extend BDE's termination date to June 30, 2019.

DCCED's, Division of Corporation, Business and Professional Licensing's (DCBPL) investigation unit did not address all investigations in a timely manner.

### FINDINGS AND RECOMMENDATIONS

1. DCBPL's chief investigator should take steps to ensure complaints and cases are investigated timely.



# Division of Legislative Audit

## Report Digest #08-20071-11

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**SUMMARY OF:** A Sunset Review of the Department of Commerce, Community, and Economic Development, Big Game Commercial Services Board, September 13, 2011

### PURPOSE OF THE REPORT

In accordance with Titles 24 and 44 of the Alaska Statutes (sunset legislation), we have evaluated the activities of the Big Game Commercial Services Board (board) to determine if there is a demonstrated public need for its continued existence and if it has been operating in an efficient and effective manner. As required by AS 44.66.050(a), this report shall be considered by the committee of reference during the legislative oversight process in determining whether the board should be reestablished. Currently, AS 08.03.010(c)(9) states that the board will terminate on June 30, 2012, and will have one year from that date to conclude its administrative operations. Our audit objectives were as follows.

1. Determine if the termination date of the board should be extended.
2. Determine if the board is operating in the public's interest.
3. Determine if the board has exercised appropriate, regulatory oversight of licensed guide-outfitters and transporters.

### REPORT CONCLUSIONS

In our opinion, the termination date of the board should be extended. The regulation and licensing of qualified, registered guide-outfitters and transporters benefits the public's safety and welfare as well safeguards the State's wildlife resources. The board has provided reasonable assurance that the individuals licensed to guide and/or outfit hunts as well as transport hunters to and from hunt locations in Alaska are qualified to do so. The board has also successfully developed and adopted regulatory changes to improve the big game commercial services industry in Alaska. In our opinion, the board serves an important public purpose.

We recommend the board's termination date be extended for four years to June 30, 2016. The recommended extension date is half of the eight-year maximum allowed in statute because the department and the board did not fully address the previous sunset audit's findings and because of other operational support issues identified in the findings and recommendations portion of this report. Except for these deficiencies, the board has met the various statutory sunset criteria.

### FINDINGS AND RECOMMENDATIONS

1. The Division of Corporations, Business and Professional Licensing's (division) director should ensure procedures are developed and that division staff adhere to them in order to provide efficient and effective support to the board's day-to-day operations.
2. The division director should ensure staff adhere to investigative case management procedures and develop additional procedures and reporting tools as necessary.
3. The division, in conjunction with the board, should increase licensing fees and/or reduce expenditures to mitigate the board's current and projected operating deficits.
4. The board should consider modifying regulatory first aid requirements to provide consistency between guide-outfitter licensee types.
5. The board should reconsider the electronic accumulation of information gathered from hunt records and transporter reports.
6. The division director should ensure controls over the database security of hunt records and the physical custody of hunt records and transporter reports are adequate.



# Division of Legislative Audit

## Report Digest #08-20070-10

**SUMMARY OF:** A Sunset Review of the Department of Commerce, Community, and Economic Development, Board of Nursing (BON), September 30, 2010

### PURPOSE AND SCOPE OF THE REPORT

In accordance with Title 24 and Title 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities of BON to determine if there is a demonstrated public need for its continued existence and if it has been operating in an effective manner. As required by AS 44.66.050(a), this report shall be considered by the committee of reference during the legislative oversight process in determining whether BON should be reestablished. Currently, under AS 08.03.010(c)(13), BON will terminate on June 30, 2011, and will have one year from that date to conclude its administrative operations.

### REPORT CONCLUSIONS

BON is operating in an efficient and effective manner and should continue to regulate the professions it governs. We believe the board is safeguarding the public interest by ensuring the competence and integrity of those who present themselves to the public for the professions regulated by BON: licensed registered nurses, licensed practical nurses (LPN), advanced nurse practitioners (ANP), certified registered nurse anesthetists, certified nurse aides, and nurse and nurse aide training programs.

BON has conducted its business in a satisfactory manner. It continues to propose changes to regulations to improve the board's effectiveness and to ensure that professionals are properly licensed.

Under AS 08.03.010(c)(13), BON will terminate on June 30, 2011. If not extended by the legislature, under AS 08.03.020, BON will have a one-year period to administratively conclude its affairs. We recommend that the legislature extend the board's termination date to June 30, 2019.

### FINDINGS AND RECOMMENDATIONS

1. BON should take steps to ensure all appropriate entities are notified when an ANP's authority to write prescriptions has been revoked or suspended.
2. The BON chairman should take steps to ensure that the required training program reviews are being conducted.
3. The Division of Corporations, Business, and Professional Licensing's chief investigator should take steps to ensure that complaints and cases are investigated timely.
4. The director of Boards and Commissions, Office of the Governor, should fill the LPN position with an LPN currently involved in institutional nursing services.



# Division of Legislative Audit

## Report Digest #12-20063-09

**SUMMARY OF:** A Sunset Review on the Department of Public Safety, Alcoholic Beverage Control Board, August 14, 2009

### PURPOSE OF THE REPORT

In accordance with Title 24 and Title 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities of the Alcoholic Beverage Control Board (ABC Board or the Board) to determine if there is a demonstrated public need for its continued existence and if it has been operating in an effective and efficient manner. As required by AS 44.66.050(a), this report shall be considered by the committee of reference during the legislative oversight process in determining whether the ABC Board should be reestablished. Currently, under AS 44.66.010(a)(1), the Board will terminate on June 30, 2010 and will have one year from that date to conclude its administrative operations.

The primary objective of this audit was to determine whether there is a public need for the Board and if its existence should be extended. The secondary objective was to determine if the ABC Board is serving the public interest in regards to licensing/permitting functions, administrative activities, board activities, and enforcement activities by reviewing these major functions for effectiveness and efficiency of operations.

### REPORT CONCLUSIONS

In our opinion, the ABC Board should continue to regulate the manufacture, sale, barter, and possession of alcoholic beverages in Alaska in order to protect the public's health, safety, and welfare. The Board has demonstrated a need for its continued existence by providing protection to the general public through the issuance, renewal, revocation, and suspension of liquor licenses. Protection has also been provided through active investigation of suspected licensing violations and enforcement of the State's alcoholic beverage control laws and regulations.

With the exceptions noted in the Findings and Recommendations section of this report, the ABC Board is operating in the public interest. However, improvements are needed to improve the effectiveness and efficiencies of its operations.

This is the third audit performed in the last seven years in which we have recommended a stronger internal control environment be implemented to include written policies and operating procedures, as well as a strategic plan governing enforcement activities. Although the current director has taken immediate action to make improvements to the ABC Board, we are nonetheless concerned that certain issues in the last three audits have not yet been addressed. Therefore, we recommend that AS 44.66.010(a)(1) be amended to extend the termination date of the Alcoholic Beverage Control Board to June 30, 2014.

### FINDINGS AND RECOMMENDATIONS

#### Recommendation No. 1

The ABC Board members and director should establish quantifiable and objective enforcement goals and develop a clear plan by which they will direct its enforcement resources to most efficiently and effectively accomplish those goals in a verifiable manner.

There is no enforcement strategy to prioritize and apply resources in a cohesive fashion to enforce the alcoholic beverage laws. The agency does not know if inspecting and checking half the licenses is a good or bad outcome for their efforts, an effective or efficient use of their resources, or in the best interest of the public.

The ABC Board continues to be without a systematic strategy to ensure resources are used effectively and efficiently to enforce the alcoholic beverage laws. The ABC Board members and director should make it a priority to develop and implement goals for enforcement activities that have tangible metrics.

#### Recommendation No. 2

The ABC Board members and director should develop and enforce written policies and procedures to ensure the staff's compliance with state laws and decisions made by the board and director.

There are instances of non-compliance and non-enforcement with state laws, overpayments to municipalities, possible nonpayment of fees by license holders, and incomplete and inaccurate tracking of data. The ABC Board staff's lack oversight and accountability over their activities to ensure compliance with state laws and decisions made by the board and director.

The ABC Board members and director should ensure written policies and procedures are developed, and followed by staff to ensure compliance with state laws and directives from the board and director.



# Division of Legislative Audit

## Report Digest #10-20072-11

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**SUMMARY OF:** A Sunset Review on the Department of Natural Resources, Alaska Seismic Hazards Safety Commission (ASHSC), June 15, 2011

### PURPOSE OF THE REPORT

In accordance with Title 24 and Title 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities of the ASHSC. The purpose of this audit was to determine if there is a demonstrated public need for its continued existence and if it has been operating in an effective manner. As required by AS 44.66.050(a), this report shall be considered by the committee of reference during the legislative oversight process in determining whether the ASHSC should be reestablished. Currently, under AS 44.66.010(a)(8), the ASHSC will terminate on June 30, 2012, and will have one year from that date to conclude its administrative operations.

### REPORT CONCLUSIONS

The ASHSC's termination date should be extended until June 30, 2016. Overall, we found the ASHSC is operating in the public's interest. The ASHSC has gathered and disseminated information; facilitated discussions and partnerships with various members of state, local, and federal government as well as private entities concerning seismic hazards and risk mitigation; encouraged efforts to address seismic risk mitigation; and brought attention to seismic hazards.

However, improvements are needed to increase the ASHSC's effectiveness and efficiency. Although the organization has been active in addressing a number of its statutory objectives, it lacks measureable outcomes to improve seismic hazards risk mitigation that correspond to commission activities. Additionally, the ASHSC has made only two formal policy recommendations in six years. By not analyzing its progress on a regular basis, the commission cannot readily identify areas in need of improvement, ways to efficiently manage its goals, or areas in need of greater attention.

### FINDINGS AND RECOMMENDATIONS

1. The ASHSC should develop a strategic plan to guide its efforts to mitigate seismic hazard risk in Alaska.
2. The ASHSC should develop procedures to ensure meetings are published on the Alaska Public Notice System in a timely manner.
3. The ASHSC should follow the adopted rules of procedure and recommend immediate replacement of habitually absent members.
4. The Office of the Governor and the ASHSC should work to fill appointments to all commission seats in a timely manner.

6/17/11  
7:50pm

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**Governor Sean Parnell  
STATE OF ALASKA**

June 17, 2011

The Honorable Mike Chenault  
Speaker of the House  
Alaska State Legislature  
State Capitol, Room 208  
Juneau, AK 99801-1182

Dear Speaker Chenault,

Under the authority vested in me by Article II, Section 15, of the Alaska Constitution, I have vetoed the following bill:

SCS CSHB 126(FIN)

“An Act relating to qualifications for serving on a state board or commission; extending the termination dates of the Board of Nursing, the Board of Dental Examiners, the Board of Barbers and Hairdressers, and the Alcoholic Beverage Control Board; and providing for an effective date.”

While I support the sunset extension provisions of the bill for the Board of Nursing, the Board of Dental Examiners, the Board of Barbers and Hairdressers, and the Alcohol Beverage Control Board, I have grave concerns over the Legislature’s last minute policy call to add a provision prohibiting a person convicted of a felony from serving on a board or commission of State government. While I agree that a person who commits a violent crime and is still a danger to the community should not be considered for appointment to a board or commission, this overly broad provision fails to recognize that a person may be convicted of a nonviolent felony, rehabilitated, and substantially benefit society long after the person’s incarceration. If a person may legally be elected to office, like governor or lieutenant governor, who at one time in life was convicted of a felony, why would we forever ban them from serving the community on a commission? Fundamental notions of fairness are implicated as are constitutional directives toward rehabilitation.

Several State boards and commissions, such as the Advisory Board on Alcoholism and Drug Abuse, advise on the development of programs for the prevention, treatment, and rehabilitation of persons with social and medical issues who make up a large portion of the correctional institutions’ population. The legislation’s provision would eliminate from consideration for appointment persons who may be able to provide invaluable firsthand experience for development of those programs. I raise the questions because no committee record was established for the prohibition, so a full evaluation cannot occur now. Without public testimony or committee discussion of the provision, it is virtually impossible to ferret out the rationale behind this provision.

The Honorable Mike Chenault

June 17, 2011

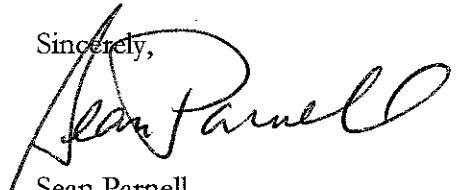
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Without anything further in the record to consider, I believe that a one-size-fits-all approach is not in the State's best interest for this complicated issue. This provision is unusual among states to uniformly ban individuals from serving on State boards and commissions regardless of the linkage to the board's or commission's duties, the length of time since the commission of the felony, and whether the felony was nonviolent in nature. A stigma strong enough to stop most appointments already exists so any such appointment would receive great scrutiny. An outright ban appears to be an overreach without more information to consider.

Accordingly, I would urge the Legislature to pass a clean sunset extension for the Board of Nursing, the Board of Dental Examiners, the Board of Barbers and Hairdressers, and the Alcoholic Beverage Control Board next year. Each of these boards will still have a one year period within which to operate and within which the Legislature can act with me to extend their termination dates.

For these reasons, I have vetoed the bill.

Sincerely,



Sean Parnell  
Governor

Enclosure



# LAWS OF ALASKA

2011

## FIRST SPECIAL SESSION

**Source**

SCS CSHB 126(FIN)

**Chapter No.**

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### AN ACT

Relating to qualifications for serving on a state board or commission; extending the termination dates of the Board of Nursing, the Board of Dental Examiners, the Board of Barbers and Hairdressers, and the Alcoholic Beverage Control Board; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1

## AN ACT

1 Relating to qualifications for serving on a state board or commission; extending the  
2 termination dates of the Board of Nursing, the Board of Dental Examiners, the Board of  
3 Barbers and Hairdressers, and the Alcoholic Beverage Control Board; and providing for an  
4 effective date.

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

7 (4) Board of Barbers and Hairdressers (AS 08.13.010) - June 30, 2019  
8 [2011];

9 \* **Sec. 2.** AS 08.03.010(c)(7) is amended to read:

10 (7) Board of Dental Examiners (AS 08.36.010) - June 30, 2019 [2011];

11 \* **Sec. 3.** AS 08.03.010(c)(13) is amended to read:

12 (13) Board of Nursing (AS 08.68.010) - June 30, 2019 [2011];

13 \* **Sec. 4.** AS 39.05.100 is amended by adding a new subsection to read:

14 (c) A person convicted of a felony may not serve on a board or commission of

the state government unless the conviction has been overturned on appeal or otherwise set aside.

\* **Sec. 5.** AS 44.66.010(a)(1) is amended to read:

(1) Alcoholic Beverage Control Board (AS 04.06.010) - June 30, 2012

[2011];

\* **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to read:

EXEMPTION FROM AS 44.66.050(e). This Act is exempt from the provision of 44.66.050(e) that prohibits a bill from reestablishing more than one board or commission.

\* **Sec. 7.** This Act takes effect immediately under AS 01.10.070(c).