

ALASKA STATE LEGISLATURE
SENATE LABOR & COMMERCE COMMITTEE

January 23, 2001
1:30 p.m.

MEMBERS PRESENT

Senator Randy Phillips, Chair
Senator Alan Austerman
Senator Loren Leman
Senator John Torgerson
Senator Bettye Davis

MEMBERS ABSENT

All Members Present

COMMITTEE CALENDAR

SENATE BILL NO. 9

"An Act extending the termination date of the State Board of Registration for Architects, Engineers, and Land Surveyors."

MOVED CSSB 9(L&C) OUT OF COMMITTEE

SENATE BILL NO. 10

"An Act extending the termination date of the Board of Public Accountancy."

MOVED SB 10 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

SB 9 - No previous action to consider.

SB 10 - No previous action to consider.

WITNESS REGISTER

Senator Gene Therriault
State Capitol Bldg.
Juneau AK 99822

POSITION STATEMENT: Sponsor of SB 9 and SB 10.

Mr. Jeffrey Wilson, President
Alaska Professional Design Council (APDC)
1405 W. 53rd Ave.

Anchorage AK 99503

POSITION STATEMENT: Supported SB 9.

Mr. Dwayne Adams
American Society of Landscape Architects
13231 Reef Place
Anchorage AK 99515

POSITION STATEMENT: Commented on SB 9.

Ms. Catherine Reardon, Director
Division of Occupational Licensing
Department of Community and Economic Development
P.O. Box 110806
Juneau AK 99811

POSITION STATEMENT: Supported CSSB 9(L&C) and SB 10.

Mr. James Bibb, President
American Institute of Architects for Alaska
No address provided

POSITION STATEMENT: Commented on SB 9.

Ms. Pat Davidson, Auditor
Legislative Budget and Audit
Alaska State Capitol
Juneau, AK 99801

POSITION STATEMENT: Commented on SB 9 and SB 10.

ACTION NARRATIVE

TAPE 01-01, SIDE A

Number 001

#SB9

SB 9-EXTENDED BOARD OF ARCHITECTS ETC

CHAIRMAN RANDY PHILLIPS called the Senate Labor & Commerce Committee meeting to order at 1:30 p.m. and announced SB 9 to be up for consideration.

SENATOR THERRIAULT, sponsor of SB 9, testified that it extends the sunset date of the State Board of Registration for Architects, Engineers, and Land Surveyors to 2005. In addition, the legislature added a temporary board member a couple of years ago for landscape architect and the bill proposes that position also be extended. It also extends the funding for expenses of that member. Senator Therriault said he has heard good comments about him and there is support for continuing his position.

Currently, there is no requirement for continuing education for

architects, engineers, or land surveyors, Senator Therriault said, and the Board is not ready to require it and suggested the legislature consider permissive language. Some boards require ongoing education in statute and some simply have permissive language. He noted that a board has the discretion to require it.

There was a question about having a mining engineer as one of the designated seats and he wanted that to be retained. Current members have not had a problem finding a qualified individual to fill that spot, he said. The Board dealt with the reciprocity issue through adopting regulations.

Number 408

SENATOR LEMAN asked if he communicated with any of the professional societies about their positions on continuing education.

SENATOR THERRIAULT replied that he had talked to some individuals and the head of the current board and they are still split. He did not contact the professional societies to hear their individual positions.

SENATOR TORGERSON asked if the per diem the individual is paid would be computed on the fees charged back to everyone else.

SENATOR THERRIAULT replied that was right. By state law they have to be completely self-supporting.

SENATOR TORGERSON said he thought this board was usually extended for five years and asked why it's only four now.

SENATOR THERRIAULT answered that the audit suggested 2005.

SENATOR LEMAN explained that when he and Senator Mackie were chairmen of the committee, they had informally agreed to not extend a board for more than four years.

SENATOR THERRIAULT said some people who wanted a long extension approached him, but philosophically, he felt it gives power to nonelected board members to regulate an industry and "The legislature should be forced to come back almost more often to make sure the power is not being abused."

SENATOR LEMAN commented that the committee is trying to be consistent with all professional licensees.

SENATOR THERRIAULT said the auditors also look at the timing so that not all of the reviews come at the same time, too.

Number 735

MR. JEFFREY WILSON, President, Alaska Professional Design Council, supported continuing the Board for the proposed year 2005. All of the items in the legislative audit had controversy - some to all of the professions and some to just a few. He also said, "It is the general consensus on continuing education that the professions are moving in that direction. While the current board supports continuing education, they do not support a mandatory program and there remains member controversy regarding a mandatory program, particularly regarding the implementation details." They think this issue should be in separate legislation. He represents nine different professions on this board and all of them have a different position relating to continuing education. The architects already have a required continuing education program for membership in the AIA. Some states require it, but it's not universal. Standards are moving towards that.

Number 962

Removing the mining seat from the Board is another controversial issue, Mr. Wilson said, and should not be attached to the AELS Board extension bill. "While common sense suggests that the board should be proportional to its members, the objective would never be perfect and the historical record and emotion makes it a difficult political decision, at best. Contrary to the suggestions of the audit findings and recommendations, we do not believe the landscape architects are currently requesting a seat on the board, i.e. replace the mining seat or as an additional seat. There is a consensus that the landscape architecture temporary seat should be extended for the three-year extension period and be included as an amendment to the proposed bill" [language in HB 50].

MR. DWAYNE ADAMS, American Society of Landscape Architects[indisc.] asked that the committee incorporate language from HB 50 into SB 9 with respect to the landscape architecture provisions. "First of all, it's very important that the person who sits on the Board representing landscape architecture be allowed in order to deal with resolution of the gray areas."

Another provision in HB 50 is that this person be compensated through per diem and travel expenses for the work that they do. No other profession that is licensed in the state requires a nonprofit association to reimburse a person for their travel. Landscape architects pay fees for the other board members and if the interests of all the professions are being protected by the person on the board, those who are paying for licensure fees should

provide for that reimbursement.

The question was raised that the boards are held separate from the nonprofit associations. The nonprofits do not pay, nor do they interject politically, except through testimony into the goings on of the board. Recognizing that separation, it seems appropriate that it not be held to reimburse a person for travel expenses.

CHAIRMAN PHILLIPS asked if the fiscal note for the committee substitute would be positive or negative.

SENATOR THERRIAULT anticipated that it would show no change unless it would cover the per diem of one more person which would be a small amount.

MS. CATHERINE REARDON, Director, Division of Occupational Licensing, supported CSSB 9(L&C). She explained that the funding source will be the new Receipts Supported Services Category (RSSC) and reflects the fact that the expenses are covered by fee revenue.

She said that the sunset statute says "Boards shall not be continued for more than four years unless the legislature decides to continue them for longer." Since then, that has been considered the standard amount. Legislative Audit recommended a longer extension for a variety of boards several years ago and at that time legislators' response was to stick with the standard four years.

MS. REARDON said the fiscal note would be \$2,500 - \$3,000 for payment of the landscape architect. She strongly supports covering those expenses for the reasons Mr. Adams mentioned. She noted that the fiscal note would be ready tomorrow.

MR. JAMES BIBB, President, American Institute of Architects for Alaska, read the following statement:

In response to Alaska State Legislative Audit Committee's recommendation number 3, AIA Alaska recommends that any amended language addressing clarity of the statute semantics be put aside in order to allow the sunset bill to move forward.

Their concern is that any modification of the language that affects the architects or licensing could limit or unfairly restrict the opportunity for qualified architects to become professionally licensed in Alaska. They would like to build consensus among the architects in the state before putting words in statute.

MS. PAT DAVIDSON, Legislative Auditor, said their first recommendation is that the legislature provide for continuing

education of architects, engineers, and land surveyors to get parity among the professional boards. Most of them already have that language in statute. Historically, the board has not accepted that recommendation, but this year they have fewer objections to it, she said.

MS. DAVIDSON said they looked at restructuring the membership on the board, particularly requiring a mining engineer. They recognize that it is an important profession in Alaska, but there are limited numbers of professionals in that specialized arena. The Board allows for an open seat of any engineer rather than delay in filling that one seat. Additionally, landscape engineers were coming onboard in basically a nonpaid position. The auditors took no position on that directly. The third recommendation of extending the Board was housekeeping and shouldn't stall the legislation.

MR. JEFF WILSON supported Mr. Adams' testimony saying that funding for the landscape architect to attend meetings is appropriate.

Number 1500

SENATOR LEMAN moved to adopt the committee substitute to SB 9, Lauterbach 22- LS 0242\C. There were no objections and it was so ordered.

SENATOR LEMAN stated for the record that this board regulates him.

SENATOR TORGERSON moved to pass CSSB 9 (L&C) from committee with individual recommendations with the accompanying fiscal notes. There were no objections and it was so ordered.

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#SB10

SB 10-EXTENDED BOARD OF PUBLIC ACCOUNTANCY

CHAIRMAN PHILLIPS announced SB 10 to be up for consideration.

SENATOR THERRIAULT noted there were several letters of support - one from the Alaska Society of Certified Public Accountants [indisc].

MS. CATHERINE REARDON, Director, Division of Occupational Licensing, supported SB 10, the extension of the Board of Certified Public Accountants and the accompanying \$0 fiscal note, which explains there is an expense to licensing accountants and having the Board function, but that the money is already built into the budget.

Several recommendations in the audit were related to regulations adopted by the Board and the Division's response on the final page

of the audit was prepared in concurrence with the Board Chairman on those issues.

Regarding recommendation three, that appointments to the Board are made in a timely manner, Ms. Reardon commented that it was the Governor's intent to achieve that with all his board appointments.

MS. PAT DAVIDSON said they made three recommendations to improve areas within the Board of Public Accountancy. She stated that she is a CPA and the auditors in her office are either licensed CPAs or working to attain licensure. As a result, she said, they are not independent with respect to this Board. But she thought it was an appearance issue, not one in fact.

The Board designates certain types of continuing professional education if you are going to be the supervising auditor that signs off on peoples' experience. Legislative auditors thought the distinction was inappropriate and saw the Board setting up two tiers of CPAs, Ms. Davidson said. A general practitioner in public practice isn't required to have that higher threshold of continuing professional education. This recommendation was proposed to be dealt with in regulation, so they will monitor the Board to see if the changes are made.

MS. DAVIDSON said the second recommendation had to do with taking due care in licensing professionals. The auditors found that some of the CPAs signing off experience for others hadn't been licensed for the full two years they were attesting to. They directed the Board to look at their procedures.

MS. DAVIDSON said that another recommendation asked the Office of the Governor to make appointments in a timely fashion.

Number 2160

SENATOR TORGERSON moved to pass SB 10 from committee with accompanying fiscal notes with individual recommendations. There were no objections and it was so ordered.

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CHAIRMAN PHILLIPS adjourned the meeting at 2:15 p.m.