

ALASKA STATE LEGISLATURE
SENATE LABOR & COMMERCE COMMITTEE

February 14, 2002
1:37 p.m.

MEMBERS PRESENT

Senator Ben Stevens, Chair
Senator Alan Austerman
Senator John Torgerson
Senator Bettye Davis

MEMBERS ABSENT

Senator Loren Leman

COMMITTEE CALENDAR

SENATE BILL NO. 252

"An Act renaming the Alaska Human Resource Investment Council as the Alaska Workforce Investment Board and relating to its membership; repealing the termination date of the state training and employment program; relating to employment and training activities; and providing for an effective date."

HEARD AND HELD

SENATE BILL NO. 266

"An Act authorizing the commissioner of community and economic development to refinance and extend the term of a fishery enhancement loan."

MOVED CSSB 266 (L&C) OUT OF COMMITTEE

SENATE BILL NO. 270

"An Act extending the termination date of the Board of Dispensing Opticians; relating to the regulation of dispensing opticians; and providing for an effective date."

MOVED CSSB 270 (L&C) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

SB 252 - No previous action to record.

SB 266 - No previous action to record.

SB 270 - No previous action to record.

WITNESS REGISTER

Ms. Rebecca Gamez, Deputy Commissioner
Department of Labor & Workforce
Development
PO Box 21149
Juneau, AK 99802-1149
POSITION STATEMENT: Supported SB 252.

Mr. Jim Sanders, Executive Director
Alaska Human Resources Investment Council
Department of Labor & Workforce
Development
PO Box 21149
Juneau, AK 99802-1149
POSITION STATEMENT: Supported on SB 252.

Mr. Greg Winegar, Director
Division of Investments
Department of Community and Economic Development
P.O. Box 34159
Juneau AK 99803
POSITION STATEMENT: Neutral position on SB 266.

Mr. John Carter, Executive Director
Douglas Island Pink and Chum (DIPAC)
POSITION STATEMENT: Supported SB 266.

Mr. Jerry McCune
United Fishermen of Alaska
211 4th Street #110
Juneau AK 99801
POSITION STATEMENT: Supported SB 266.

Mr. Larry Hancock, Manager
City of Cordova
P.O. Box 1060
Cordova AK 99574
POSITION STATEMENT: Supported SB 266.

Ms. Lisa Vonbargen
City of Valdez
P.O. Box 307
Valdez AK 99686
POSITION STATEMENT: Supported SB 266.

Ms. Pat Davidson
Legislative Audit
P.O. Box 113300

Juneau AK 99811

POSITION STATEMENT: Commented on SB 270.

Mr. Larry Harper
Opticians Association of Alaska
National Contact Lens Examiners
State Board of Dispensing Opticians
534 W 2nd
Anchorage AK 99501

POSITION STATEMENT: Commented on SB 270.

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

POSITION STATEMENT: Commented on SB 270.

ACTION NARRATIVE

TAPE 02-5, SIDE A

Number 001

#SB252

SB 252-EMPLOYMENT AND TRAINING PROGRAM/BOARD

CHAIRMAN BEN STEVENS called the Senate Labor & Commerce Committee meeting to order at 1:37 p.m. and announced SB 252 to be up for consideration.

MS. REBECCA GAMEZ, Deputy Commissioner, Department of Labor and Workforce Development, said she would give an overview of STEP and changes to the Alaska Human Resource Investment Council (AHIRC) that are in SB 252 after Mr. Sanders' testimony.

MR. JIM SANDERS, Executive Director, Alaska Human Resources Investment Council, said there are five issues in this bill and the first one is the name change. Currently, it is called the Alaska Human Resource Investment Council and this legislation proposes to change it to the State Workforce Investment Board (WIB). This would bring them in line with the Workforce Investment Act and more clearly aligns them with the two Alaska Workforce Investment Boards - the Alaska Mat-Su and the Balance of State WIB.

Secondly, the AHRIC doesn't clearly convey the purpose of the Council. Their mission says that they are a private public leadership board that sets policy framework for the development of Alaska's workforce. The proposed title is shorter and more succinctly identifies the organization's purpose.

There are a number of housekeeping issues. Throughout the text of the bill they would change the reference of "Council" to "Board" and change references to the "Private Industry Council" to "Local Workforce Investment Board".

The third issue is adding the Commissioner of Administration as a non-voting member of the Board. He said that Juneau is one of Alaska's major employers and the Commissioner of Administration has a comprehensive knowledge of current and future employment needs for the state employment system. He would be a valuable asset to the Board in its deliberation and discussion of policy issues. In addition, the Commissioner would benefit from a greater exposure to the full spectrum of employment and training issues that confront the state and are frequently discussed by AHRIC.

The fourth issue is one of flexibility. Currently, AHRIC is restricted to meeting three times a year and this would allow them one more meeting per year [but not make it mandatory] giving them the flexibility to address unexpected issues.

The fifth issue is in Section 9. The AHRIC advises the governor, state and local agencies and the University of Alaska on workforce issues and they propose adding "other training entities". This reflects what they currently do with the Alaska Vocational Technical Training Center, Charter College or the Southwest Vocational Training Center.

The other change in section 9 is that the Board shall develop standards that encourage agencies to contract for programs and says, "meets local demands and maximizes the use of resources." This is something that they already do. They want training and employment to reflect regional needs and funds that are used are used most effectively.

MS. GAMEZ said since 1989, STEP has trained thousands of Alaskans. This is good because when people are working, they are not drawing unemployment insurance benefits and it keeps wages in the state. The collaboration with employers, unions and industries adds value to the economic development, training and apprentice programs throughout the state. She used the Hyder Waterworks Project as an example of how STEP works in Alaskan communities and it has an adult working-age population of 82. Adult as defined by the U.S. census is 16 and above. So the Hyder Waterworks Project employs about half of its population.

The U.S. Department of Commerce, through an Economic Development and Administration Grant (EDA), paid 60 percent of the cost of the facility; forty percent was raised locally. They applied for a STEP grant for training and were award a \$32,000 grant. The

University of Alaska Ketchikan provided onsite training for the workers. She said that the federal funding programs are not as flexible as this program is. Currently, the Hyder project is capable of producing 140,000 bottles daily, although they produce only 40,000 bottles. They are negotiating a contract with Sam's Club right now. If that happens, they will want to train another shift of workers.

MS. GAMEZ said the STEP delivery strategy is two-fold delivering service through competitive grants into business needs and through individual services largely delivered through the 22 Alaska job centers. A good example of the individual training model is Kathleen Basinger of Fairbanks. She has supported two kids by herself on a low paying job. She knew she needed to improve her skill level. After she graduated, she took her kids to Disneyland showing them that hard work pays off and that self-sufficiency and success is a good thing.

Another example is Mr. Glen Shortsmith from Sterling. He had been on and off unemployment insurance. He needed and wanted full-time work. Through the Kenai Peninsula job center, he was able to get an individual grant for \$550, which allowed him to get his commercial driver's license. He is now a full-time driver and he feels secure with the job that he has.

The competitive grant process is delivered through non-profit businesses, for-profit businesses, apprenticeship programs and education institutions, wherever the need is identified. Right now 300 Alaskans out of the 1,100 in training are training for high paying union jobs thanks to the STEP program. They also deliver services through competitive grants to large and small businesses for local workforces at communities around the state.

Bulk fuel tanks are now being replaced in Alaska. These tanks used to be imported from outside businesses and now they are being manufactured in Nome. These are a couple of examples of success stories of STEP in Alaska. She showed them a map of the communities that are impacted by STEP training.

She said that STEP has been a pilot program since its inception in 1989 and this temporary nature has been an on-going challenge. It needs to be predictable and stable for future generations.

SENATOR AUSTERMAN asked if there was a report that lists the total number of people who are served through the program.

MS. GAMEZ said they had the data compiled and pending the audit they were planning on getting this information out to the committee members. She offered to get that information to them sooner.

CHAIRMAN STEVENS asked her to provide them the information. She said absolutely.

SENATOR TORGERSON asked if she eliminated the sunset entirely. She replied that there was no automatic review of the program, but it would be done through the annual audits the department goes through or any special audits that may be raised.

SENATOR AUSTERMAN asked if the Local Workforce Investment Board was separate from the main board.

MS. GAMEZ replied that the way the Workforce Investment Act is set up there is a state board, the Alaska Human Resource Investment Council; there are two local board, the Anchorage Mat-Su area and the other is the Balance of State area. In addition to those boards, there are local advisory councils in many of the communities throughout the states for the job centers. She said the language replacing the Private Industry Council with the Local Workforce Investment Board mirrors the Workforce Investment Act. Private industry councils don't technically exist any more.

SB 252 was held for further work.

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1:50 - 1:52 - AT EASE

#SB266

SB 266-FISHERY ENHANCEMENT LOANS

CHAIRMAN STEVENS announced SB 266 to be up for consideration.

MS. DEBORAH GRUNDMANN, Aide to Senator Stevens, sponsor of SB 266, said it authorizes the commissioner of Community and Economic Development to refinance and extend the term of a fishery enhancement loan made through the revolving Fisheries Enhancement Revolving Loan Fund. The funding provided by this program has helped to create an extremely successful statewide salmon rehabilitation program. The hatchery system was established in 1974 to enhance and stabilize Alaska's regional salmon stocks. Now approximately 40 percent of the entire salmon harvest in Alaska is enhanced fish. A majority of the loans made under this program carry the maximum allowable interest rate of 9.5 percent. Alaska statutes allow for interest rates of 1 percent over prime, not to exceed 9.5 percent. New loans if received today would be at 6 percent. Hatcheries would like to take advantage of the lower interest rates to bring down their debt service just as other business and homeowners are currently doing in Alaska and the nation.

The last legislative audit of private non-profit hatcheries

published in 1997 recommended that the Division of Investments in the Department of Community and Economic Development seek the authority to restructure hatchery loans and that's what this legislation does. The department is sufficiently staffed to accommodate the few applications necessary to refinance these loans. There is no forgiveness of principal or interest allowed under this legislation and all payments are made directly to the loan fund.

She said that SB 266 recognizes the public trust nature of these non-profit entities. It protects the state's financial interest by guaranteeing the sustained production of salmon for the commercial, sport and personal use fisheries and assuring continued payments of outstanding debts to the state. She said there was a committee substitute before them.

SENATOR TORGERSON moved to adopt the committee substitute to SB 266. There were no objections and it was so ordered.

CHAIRMAN STEVENS asked that the provision be limited to the refinancing of existing loans.

MR. GREG WINEGAR, Director, Division of Investments, said SB 266 would allow existing borrowers to refinance their fisheries enhancement loans. Interest rates for this program are tied to the prime rate and are fixed at the time the loan is made. In the last year or so interest rates have come down a tremendous amount and are less than what most of the loans were made at. They want to let the non-profit aquaculture associations take advantage of the lower interest rates. He pointed out that the same legislation was passed for the Commercial Fishing Revolving Loan Fund in 1993. This would affect the income of the fund and therefore there is a fiscal note to reflect those differences.

It's important to note, he said, that this bill is going to allow these associations to lower their interest expense, which will help their financial picture and increase their ability to service existing debt. This would not adversely impact the integrity of this loan fund. They have a very streamlined process in place to take care of refinancing requests so they don't see this as being a burden administratively.

SENATOR TORGERSON asked if he supported the bill.

MR. WINEGAR replied that their official position is neutral and explained that basically it's because it will result in a reduction of funds to the loan fund, but on the other hand it will help the existing associations.

SENATOR TORGERSON agreed that they should refinance the existing loans as long as it doesn't adversely affect the portfolio and

Mr. Winegar said that was not an issue. "But I always shudder at giving a commissioner this kind of authority without the legislature knowing what is happening within that portfolio."

He was also concerned that the language on page 2 was such that they would never turn down an extension.

MR. WINEGAR replied that they have the same authority under the Revolving Commercial Fishing Loan Program and that was passed in 1993.

SENATOR TORGERSON asked what the difference in dollars was.

MR. WINEGAR replied that the loan funds are fairly similar in size.

SENATOR TORGERSON said if the chairman liked, they could move the bill out today, but he wanted to see the numbers when it was in the next committee.

MR. JOHN CARTER, Executive Director, Douglas Island Pink and Chum (DIPAC), said he wanted to support SB 266 on behalf of the Board of Directors and the many supporters of DIPAC. He is also spokesman for many of the hatcheries around the state rather than flying someone.

The private non-profit hatchery program was created by the legislature to replace the hatchery program operated by the state's fish and game FRED division. The FRED hatcheries are operated through an annual appropriation to the state Department of Fish and Game. The PNP hatchery program was created as a user pay entity. To get the program started, the state gifted some existing hatcheries to regional corporations, but primarily created the Fishery Enhancement Revolving Loan Fund. This fund, along with a tax on commercial fishermen, was to provide for construction and operational funds as the enhancement program developed. Twenty-five plus years later, the PNP hatchery programs are described even by some of their detractors as some of the best in North America. They have made dramatic financial contribution to many areas of the state. When asked by those who don't understand the concept of private non-profit, I usually fall back on the phrase "public trust" as Debbie read today. I think this best describes the way most of us view the job we do. That being said, we are still a business and we are responsible for budgets and payroll and, of course, debt service. What we are asking for here is the

ability to refinance debt at the lower interest rate. This is obviously going on in many businesses across the country. Taking advantage of the current low interest environment just makes good business sense. Simply put, refinancing will strengthen our financial position, make us better able to pay our debt and more able to continue doing the job of providing fish for commercial and sport fishers across the state. This would mean the principle and interest as you just heard are paid into the fund at a slower rate, but loan demand of the fund has slowed dramatically, so the fund will still be financially sound. Again, I appreciate your support and am available for questions.

SENATOR AUSTERMAN asked if lowering the cost of doing business meant a higher number of fish for the fishermen.

MR. CARTER replied in many cases he thought that's who the benefit would transfer to.

"Your question if we are paying less interest into the fund - it means that our annual budget - less of it would go to interest and therefore we could reduce our annual budget accordingly and therefore require less cost recovery."

SENATOR AUSTERMAN asked about DIPAC specifically.

MR. CARTER replied that they are currently encouraging the department at each opportunity to give the fishermen more time on their fish. The amount of fish caught by the fishermen is directly related to how much time they have.

SENATOR AUSTERMAN said he was raising these questions because he was concerned about cost recovery and the percentage that takes place in the hatcheries. It says in the law that they are supposed to provide a "significant contribution." He asked what percentage of cost recovery it takes for them to operate their hatchery.

MR. CARTER answered that last year it was about 51 percent for the hatchery and 49 percent for cost recovery, all species combined. Their stated goal is 60 percent to the common property and 40 percent to the hatchery. For the regional corporations, it's 70/30. He explained that when they started their hatchery they did not get any of the 3 percent money and all of their 3 percent money now goes to the regionals. One percent was given to the "mom and pops" as far as a goal was concerned.

SENATOR AUSTERMAN asked if he could project a percentage of

savings using this bill.

MR. CARTER replied that he had to give him the same answer he gave before.

This past year, if the fishermen had additional time and would have caught a higher percentage of the fish - it was unrelated to what we were going to pay to Commerce. It would have affected our reserve, but we had no control over that. Again, I'm not trying to be evasive. That's just absolutely the way it is. If the department had allowed them more days of fishing time this year or the year before, they would have caught a higher percentage of the fish. We get whatever is left over. It's absolutely that simple.

2:10 p.m.

MR. JERRY MCCUNE, United Fishermen of Alaska, supported SB 266.

In the areas where we have regional hatcheries fishermen pay an assessment. We have a huge investment in the hatcheries and hopefully by lowering the interest rate at this time, we'll be able to sustain these runs. A lot of these hatcheries are based on pink salmon, so Senator Austerman's question - it depends on the price of the salmon - on the cost recovery. Because we're all suffering from the price problem as you all know...

He said in theory most hatcheries would be able to put out more fish for the common property and that is the goal along with paying the hatcheries off eventually.

SENATOR AUSTERMAN asked if it was correct that some of the hatcheries had 80 percent cost recovery.

MR. MCCUNE said he couldn't speak for every hatchery. He knew of one that had 60 percent.

MR. LARRY HANCOCK, City Manager of Cordova, said he represents the City of Cordova and the Economic Development Council. He read a letter of support for SB 266 from Mayor Margie Johnson, which would help strengthen Prince William Sound Aquaculture Corporation by allowing them to refinance their term loan, lower their debt burden and decrease payment time. SB 266 would have a positive impact on a large segment of their community and other areas of the state that depend on hatchery produced salmon for their livelihood.

MS. LISA VONBARGEN, City of Valdez, said that commercial fishing is one of the top four industries in Valdez and contributes a quarter of million annually in raw fish tax. The Valdez Fisheries Development Association (VFDA) also supports and runs the silver salmon sports fish program in Valdez, which creates one the of the largest and most successful silver salmon runs in the state and encourages thousands of people to visit Valdez every summer providing amazing economic benefits to the community during the late season. In addition to the commercial benefit of the pink salmon run, it also creates an additional sports fish draw. VFDA has 100 percent local hire rate for the 11 full-time and approximately 35 - 40 summer employees equating to a \$600,000 payroll annually. They are also creating a roe processing plant which could mean potentially an additional 10 - 15 new jobs and will create a new locally produced Alaskan caviar product, a value added option for the fish taken out of the Sound. "Obviously, making this refinancing possible for VFDA is only going to allow them to be able to put more of their finances back into the community and back into the local economy through further enhanced fishery programs."

SENATOR STEVENS said the reason he introduced the bill was to allow the existing loan borrowers to take advantage of low interest rates just like all the other businesses and individuals in Alaska are doing. "If there are positive effects that come back to the fishing industry as a result of that, then it makes it more of a reason why we should adopt this language."

SENATOR TORGERSON moved to pass SB 266 from committee with individual recommendations and the accompanying fiscal note. There were no objections and it was so ordered.

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#SB270

SB 270-BOARD OF DISPENSING OPTICIANS

CHAIRMAN STEVENS announced SB 270 to be up for consideration.

MS. HEATHER BRAKES, Staff to Senator Therriault, sponsor of SB 270, said that there was a committee substitute.

SENATOR AUSTERMAN moved to adopt the CS to SB 270. There were no objections and it was so ordered.

MS. BRAKES said that SB 270 was based on an audit conducted by the Legislative Audit Division and it had several concerns about the Board of Dispensing Opticians. One of them was addressed in recommendation #1 on page 7 of the audit.

The auditors felt the disparity between the number of people who become licensed and the number of people

registering to be apprentices suggests that 6,000 hours of required apprenticeship may be unduly prohibiting people from being licensed. The auditor suggested that the board reconsider the necessity of the 6,000 requirement.

The board's response agrees with the auditor's recommendation, but they want to add an additional \$800 correspondence course. The course is not included in the legislation. The feeling is that it would be a hardship to the employee and the expense may be shifted to the employer.

Recommendation #2 addresses the board's state exam. The 95 sunset review recommended that the board improve the objectivity and consistency of the state's exam. After finding, again, that the board's exam process was flawed in several of the cases selected for review by the auditors, the auditor suggests that the board give serious consideration to discontinuing the practical exam and require applicants only to pass the nationally recognized exams offered. Those national exams are incorporated in SB 270. The auditor continues to be concerned about the apparent subjectivity and error-prone nature of the exam.

MS. BRAKES said the section 1 extends the Board of Dispensing Opticians for three years to June 30, 2005 as recommended by the audit report released on January 24. Sections 2,3,4,6,8 and 9 remove the board's state examination. Section 5 reduces the number of apprenticeship hours to 3,000 hours. It also allows for an applicant who has earned an associate degree from a recognized school or college of dispensing opticians to use it as a substituted in lieu of any apprenticeship hours.

TAPE 02-5, SIDE B

MS. PAT DAVIDSON, Legislative Auditor, said that she recommended only a three-year extension until 2005 rather than the typical four-year extension. Her reasoning is discussed in the Auditor's Comments where they looked at alternative methods to achieve the purpose of the program. This looked like one where making those changes - moving to a national exam, reducing the apprenticeship hours - could be handled by the Division of Occupational Licensing under the registration process rather than full licensing under a board process. They wanted to see how the board dealt with the recommendations in the report and come back in three years and see if it appeared to still be a good idea to take it to a registration process.

SENATOR AUSTERMAN asked how many states have boards.

MS. DAVIDSON replied she thought 22 states currently license dispensing opticians. The other states either have a registration process or no registration or licensing. In looking at those, scope of practice seemed to be one of the key things.

In other states, these type of activities may have required supervision by either an optometrist or an ophthalmologist. In this state having a license for dispensing optician allows them to establish a practice without supervision of either of those two other professions.

SENATOR TORGERSON asked if the bill covered her concerns as shown in the audit.

MS. DAVIDSON replied that it does.

SENATOR AUSTERMAN asked if the legislature was supposed to discuss about whether they need the licensing board or not in 2005.

MS. DAVIDSON replied that there are automatic sunset audits for these boards. They would come back in three years and the focus of the audit at that time would be an evaluation of whether a licensing board is still required or whether it can simply go to a registration process.

SENATOR AUSTERMAN asked if the number of states having a licensing board was increasing. He wanted to know what the trend was.

MS. DAVIDSON said she didn't have that information. There is a national professional organization with a website which is where they can get that kind of information. She reiterated that, "Part of the interplay with this profession has to do with those other professions that are closely associated with this type of practice. Those being the opticians and the ophthalmologists."

CHAIRMAN STEVENS asked if the substitution of an associate degree was acceptable for the auditors in place of the actual hours training.

MS. DAVIDSON said currently if a person has no more education beyond high school, 6,000 hours of apprenticeship is required. That is reduced to 2,000 hours if one has an associate degree. The recommendation says if you're only relying on your experience for qualification to reduce the hours from 6,000 to 3,000; but if you have a degree, your apprenticeship is waived.

SENATOR TORGERSON pointed out that it is odd to say one of the

qualifications is to have attended a high school for four years. He thought they would want a person to have graduated.

MS. DAVIDSON responded that was an excellent point.

2:35 p.m.

MR. LARRY HARPER, a dispensing optician, said he represented the State Board of Dispensing Opticians, National Contact Lens Examiners and the Opticians Association of Alaska. He noted that he had just received their working draft. He said:

One of the reasons that the audit was so damning to us in regards to the testing procedures was when we look back at our past fail rate, and that's important not only here in the state, but on a national basis, we're finding that people who are coming to take this exam at the end of their 6,000 hours are doing a miserable job of passing this national written exam. The reason for asking for the home study course was to put in an educational component. The way this course works is two fold. It really develops and cleans up the apprenticeship program, of which the guidelines have been incredibly lax, and puts the apprentice himself in contact with a sponsor in the Lower 48 who is also in touch with their sponsor on the job. So they learn in an sequential manner. This program has been trouble shot over the past 20 years and reducing the hours from 6,000 to 3,000 makes no sense. If we can't bring these people to the test table and have them prepared at the end of 6,000 hours, how are we possibly going to do it in 3,000 if we don't clean up the training program: It's imperative that the training program be included in this scenario in order to prepare these people for success.

MR. HARPER said the Board has found a source for a professionally written practical examination. His experience on the National Contact Lens Examiners Board and the Board of Optitionery shows that the national written test was never designed as a stand-alone competency exam for optitionery. It is an entry level certification exam so someone entering the field has an idea of what it's all about. He concluded that the educational component was necessary if the hours were reduced to 3,000.

The other concerns of the legislative audit are being aggressively pursued, he said.

SENATOR TORGESRON asked if he was in favor of dropping the hours to 3,000.

MR. HARPER replied that he is not in favor of it unless the educational component becomes a part of the equation. "We just are not seeing the success at the testing table that we should be seeing."

SENATOR TORGERSON asked if the education component was on-the-job training.

MR. HARPER replied, "As with all on-the-job training, it depends greatly on the instructor as to how successful the trainee is going to be..."

SENATOR AUSTERMAN said he has some concerns with exempting employees that isn't dealt with in the bill.

MS. CATHERINE REARDON, Director, Division of Occupational Licensing, said her division staffs both the Board of Dispensing Opticians and the Optometry Board. She said that there are ophthalmologists who are MD physicians who specialize in eye care; then there's optometrists and opticians.

In the past, there has been a difference in perspective between the Board of Dispensing Opticians and the Optometry Board over whether the employees of optometrists who do dispensing optician work should have to be licensed as dispensing opticians or optician apprentices. This came up at the time of the last extensions for both boards four or six years ago. It has been an issue of contention for longer than that. My summary is I have the impression that some optometrists have raised this issue in the last day or so - expressing the desire to have their employees exempted from the dispensing optician statute.

My brief summary of what I think the arguments on either side are is that the optometrists feel like since they are supervising their employees work that they can provide the necessary public health and safety protection insuring that their employees are doing adequate dispensing optician work. So they don't need to be licensed. Mr. Harper is here, so he could correct me, but my impression is that the Dispensing Opticians Board has felt that it is necessary to have demonstrated the skills and knowledge of dispensing opticianery, which are proven through the licensing process in order to safely provide those skills to the public.

CHAIRMAN STEVENS asked how long is a typically dispensing optician apprenticeship before they decide to sit for a license.

MS. REARDON replied that some of the apprentices choose never to sit for the exam. They come to the end of the six years and move on to a different occupation. A dispensing optician apprentice is not highly paid; so some people are not going into those jobs as a career. They are apprentices for training.

CHAIRMAN STEVENS calculated that it would take a little over three years to hit 6,000 (5,076) hours given a 240 day working year at eight hours a day; 2,000 hours would be less than one year. So he thought it would take a little less than one and a half years to meet the 3,000-hour obligation.

He asked Mr. Harper why they wanted to require the home school course when it seems like the individuals would get a lot more hands-on instruction with the 3,000 hours under a professional instead of an instructor. He didn't understand the justification, because the person in the apprenticeship gets a lot more instruction.

MR. HARPER replied that in almost every situation when someone is in an apprenticeship program, they are doing other things throughout the course of an 8-hour day that doesn't fall anywhere close to the realm of training. That is why time for the educational component is so important. An AA degree has the work component within it, because they all have dispensaries within the schools. Plus they are getting 8 hours of instruction without interruptions for doing other unassociated things. A degree program is much more intensive course work and covers a broader curriculum than the apprenticeship program.

CHAIRMAN STEVENS asked if he was speaking for the Board or individually. He asked what the Board's position was on removing the state requirement for examination.

He replied that he is speaking individually. The Board is not interested at all in removing the state requirement for examination. "That's coming from Budget and Audit. The State Board's position as reflected in the minutes of our last meeting are very very specific."

CHAIRMAN STEVENS said that the correspondence curriculum would be geared towards a national test not for a state test.

MR. HARPER replied that wasn't correct. He said the program they found is as good as anyone could find in a home study program. It goes far beyond the national competency exam, which is not for licensing.

CHAIRMAN STEVENS asked if the National Board of Opticians has national standards.

MR. HARPER said he is a past president of the Opticians Association of America and that there is a lot of different components to what they do, but how to apply that on the day-to-day work station and deliver the best in optics to the public is what the second component focuses on.

We want these people prepared for success and we want the very best for the population for the State of Alaska. This is a very good public health program and we need more of them. This doesn't cost the state a dime..."

CHAIRMAN STEVENS asked how many people begin as apprentices actually sit for a license.

MS. REARDON replied eight.

MR. HARPER said they have reviewed the results and are not happy with them. "There has been a 10-year lapse and we feel that this board has a lot of work to do."

MS. DAVIDSON said on page 13 of the Audit Report they identify the number of apprenticeships by fiscal year for the last three years as well as the number of licenses issued for dispensing opticians.

You'll see a significant difference in those numbers. I would add that it does appear, just given those numbers, that as Ms. Reardon spoke to, not everyone working for a dispensing optician has the goal of that as their profession in mind. When there's a discussion about apprentices taking that course, the concern becomes is it reasonable for people who are not looking for licensure as a dispensing optician to go through that expense. If you are trying to raise your passage rate and it's a good idea, then it's a good idea. I don't know that the state wants to create that type of requirement. If they are not prepared to pass that national test, then they won't.

Our concern with the audit is the problems with the practical exam. It was a problem six years ago and it's a continuing problem. Being a problem when you're dealing with a licensing function is that you're putting barriers of entry into the profession in front of individuals and that's what we see as the major

problem and those have to go away. I understand the Board may want to set those standards high enough to protect the public, but they cannot be as subjective as they are right now, because it causes more problems.

CHAIRMAN STEVENS asked if a prior audit had the same recommendations.

MS. DAVIDSON replied that their prior audit six years ago also identified problems with the practical exam given by the Board in terms of its error-prone nature and its lack of real objective criteria.

MR. HARPER said he couldn't agree with Ms. Davidson more. "The strange truth of the matter is that opticians are not necessarily qualified to be professional test writers. Therefore, they did an RFP and have found a good test and would like to give it in April. There is no cost to the state; there's no increased cost to the test takers.

All it does is give them a professionally qualified exam... Both the chairman and I have taken the exam. It is absolutely straight-forward. There is no guess work; there is no subjectivity - just yes or no. There's only one answer.

CHAIRMAN STEVENS asked if he had a position on exempting certain employees from statute.

MR. HARPER replied that has been an on-going topic of discussion. The position of the Optician's Board is this, "If you are going to make independent optician decisions having to do with patient care, then you need to be a licensed dispensing optician or working under someone's direct supervision."

If someone wants to be a frame stylist or whatever, they don't have a problem with that. He said that there are a few optometrists who don't like the fact that their people have to be trained.

SENATOR TORGERSON noted a letter from the Board to Ms. Davidson in which they approve the 3,000 hours and moved to pass CSSB 270 (L&C) from committee with individual recommendations and the accompanying fiscal note. There were no objections and it was so ordered.

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CHAIRMAN STEVENS thanked everyone for their testimony and adjourned the meeting at 2:55 p.m.

