

**LASKA STATE LEGISLATURE**  
**SENATE LABOR AND COMMERCE STANDING COMMITTEE**

March 27, 2012

1:32 p.m.

**MEMBERS PRESENT**

Senator Dennis Egan, Chair  
Senator Linda Menard  
Senator Bettye Davis  
Senator Cathy Giessel

**MEMBERS ABSENT**

Senator Joe Paskvan, Vice Chair

**COMMITTEE CALENDAR**

CONFIRMATION HEARINGS

Alaska State Board of Public Accountancy

Karen J. Brewer Tarver - Juneau  
Wayne Don - Eagle River

- CONFIRMATIONS ADVANCED

Alcoholic Beverage Control Board

Ethan Billings - Juneau  
Ellen Ganley - Fairbanks

- CONFIRMATIONS ADVANCED

State Board of Registration for Architects, Engineers, and  
Land Surveyors

David Hale - Anchorage  
Colin Maynard - Anchorage  
Richard Rearick - Eagle River  
Kathleen Schedler - Fairbanks

- CONFIRMATIONS ADVANCED

State Assessment Review Board

James Mosley - Eagle River

- CONFIRMATION ADVANCED

Board of Barbers and Hairdressers

Darae Crews - Anchorage

Brittany Hutchison - Fairbanks  
Kevin McKinley - Fairbanks  
Deanna Pruhs - Anchorage

- CONFIRMATIONS ADVANCED

Board of Chiropractic Examiners

Dr. James Heston - Homer  
Renee Robinson - Anchorage

- CONFIRMATIONS ADVANCED

Alaska Labor Relations Agency

Tyler Andrews - Anchorage  
Matthew McSorley - Anchorage

- CONFIRMATIONS ADVANCED

Board of Marine Pilots

Robert Richmond - Anchorage

- CONFIRMATION ADVANCED

Personnel Board

Alfred Tamagni, Sr. - Anchorage

- CONFIRMATION ADVANCED

Board of Certified Real Estate Appraisers

Lance Cook - Fairbanks

- CONFIRMATION ADVANCED

Real Estate Commission

Anita Bates - Anchorage  
Stacy Risner - Fairbanks

- CONFIRMATIONS ADVANCED

Board of Veterinary Examiners

Dr. Nelson Priddy, II - Anchorage  
Dr. Tamara Rose - Fairbanks

- CONFIRMATIONS ADVANCED

Alaska Workers' Compensation Board

Charles Collins, Jr. - Juneau

Linda Hutchings - Soldotna  
Amy Steele - Anchorage  
Richard Traini, Jr. - Anchorage  
Patricia Vollendorf - Anchorage

- CONFIRMATIONS ADVANCED

Workers' Compensation Appeals Commission  
Stephen Hagedorn - Anchorage  
James Rhodes - Ketchikan

- CONFIRMATIONS ADVANCED

SENATE BILL NO. 211

"An Act allowing a person who retires as a peace officer or firefighter under the defined benefit plan of the public employees' retirement system to receive credited service in the plan for up to five years of past military service; and providing for an effective date."

- HEARD & HELD

SENATE BILL NO. 143

"An Act relating to the Board of Registration for Architects, Engineers, and Land Surveyors and to the Department of Commerce, Community, and Economic Development."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: SB 211

SHORT TITLE: PERS CREDIT FOR MILITARY SERVICE

SPONSOR(S): SENATOR(S) MCGUIRE

02/21/12	(S)	READ THE FIRST TIME - REFERRALS
02/21/12	(S)	L&C, FIN
03/27/12	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 143

SHORT TITLE: BD OF ARCHITECTS, ENGINEERS, SURVEYORS

SPONSOR(S): SENATOR(S) GIESSEL BY REQUEST

01/17/12	(S)	PREFILE RELEASED 1/6/12
01/17/12	(S)	READ THE FIRST TIME - REFERRALS
01/17/12	(S)	L&C, FIN
03/27/12	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)

## **WITNESS REGISTER**

MICHAEL PAWLOWSKI, Staff  
Senator Lesil McGuire  
Alaska State Legislature  
Juneau, AK

**POSITION STATEMENT:** Commented on SB 211 for the sponsor.

SHARON LONG, Staff  
Senator Cathy Giessel  
Alaska State Legislature  
Juneau, AK

**POSITION STATEMENT:** Explained the CS for SB 211.

JAMES SEARS, Western Vice President  
Public Service Employees Association (PSEA)  
Nome, Alaska

**POSITION STATEMENT:** Supported SB 211.

BOYD BROWNFIELD, registered civil engineer  
Representation himself  
Anchorage, AK

**POSITION STATEMENT:** Supported SB 143.

COLIN MAYNARD, member  
Alaska Professional Design Council (APDC)  
Anchorage, AK

**POSITION STATEMENT:** Supported SB 143.

ERIC ERICKSON, representing himself  
Juneau, AK

**POSITION STATEMENT:** Supported SB 143.

## **ACTION NARRATIVE**

[1:32:13 PM](#)

**CHAIR DENNIS EGAN** called the Senate Labor and Commerce Standing Committee meeting to order at 1:31 p.m. Present at the call to order were Senators Giessel, Davis and Chair Egan.

[1:32:54 PM](#)

SENATOR MENARD joined the committee.

## **Confirmations**

[1:33:08 PM](#)

Chair Egan announced consideration of the Governor's appointees to various boards and commissions.

SENATOR DAVIS moved to forward the names of the governor's appointments to the joint body for consideration. Without objection, the following names were forwarded:

**Alaska State Board of Public Accountancy**

Karen J. Brewer Tarver - Juneau

Appointed: 3/1/2012 Term Expires: 3/1/2016

Wayne Don - Eagle River

Appointed: 3/1/2012 Term Expires: 3/1/2016

**Alcoholic Beverage Control Board**

Ethan Billings - Juneau

Appointed: 3/1/2009

Reappointed: 3/1/2012 Term Expires: 3/1/2015

Ellen Ganley - Fairbanks

Appointed: 3/1/2009

Reappointed: 3/1/2012 Term Expires: 3/1/2015

**State Board of Registration for Architects, Engineers, and Land Surveyors**

David Hale - Anchorage

Appointed: 3/1/2012 Term Expires: 3/1/2016

Colin Maynard - Anchorage

Appointed: 3/1/2012 Term Expires: 3/1/2016

Richard Rearick - Eagle River

Appointed: 2/3/2009

Reappointed: 3/1/2012 Term Expires: 3/1/2016

Kathleen Schedler - Fairbanks

Appointed: 3/1/2012 Term Expires: 3/1/2016

**State Assessment Review Board**

James Mosley - Eagle River

Appointed: 5/6/2011 Term Expires: No defined term

**Board of Barbers and Hairdressers**

Darae Crews - Anchorage

Appointed: 3/1/2012 Term Expires: 3/1/2016

Brittany Hutchison - Fairbanks

Appointed: 6/13/2011 Term Expires: 3/1/2013

Kevin McKinley - Fairbanks  
Appointed: 3/1/2012 Term Expires: 3/1/2016

Deanna Pruhs - Anchorage  
Appointed: 3/1/2012 Term Expires: 3/1/2016

**Board of Chiropractic Examiners**

Dr. James Heston - Homer  
Appointed: 1/29/2008  
Reappointed: 3/1/2012 Term Expires: 3/1/2016

Renee Robinson - Anchorage  
Appointed: 3/1/2012 Term Expires: 3/1/2016

**Alaska Labor Relations Agency**

Tyler Andrews - Anchorage  
Appointed: 6/9/2008  
Reappointed: 3/1/2009  
Reappointed: 3/1/2012 Term Expires: 3/1/2015

Matthew McSorley - Anchorage  
Appointed: 12/15/2005  
Reappointed: 3/1/2006  
Reappointed: 3/1/2009  
Reappointed: 3/1/2012 Term Expires: 3/1/2015

**Board of Marine Pilots**

Robert Richmond - Anchorage  
Appointed: 1/1/2011  
Reappointed: 3/1/2012 Term Expires: 3/1/2016

**Personnel Board**

Alfred Tamagni, Sr. - Anchorage  
Appointed: 3/1/2006  
Reappointed: 3/1/2012 Term Expires: 3/1/2018

**Board of Certified Real Estate Appraisers**

Lance Cook - Fairbanks  
Appointed: 3/1/2012 Term Expires: 3/1/2016

**Real Estate Commission**

Anita Bates - Anchorage  
Appointed: 5/17/2011 Term Expires: 3/1/2015

Stacy Risner - Fairbanks

Appointed: 10/27/2011 Term Expires: 3/1/2013

**Board of Veterinary Examiners**

Dr. Nelson Priddy, II - Anchorage

Appointed: 3/1/2012 Term Expires: 3/1/2016

Dr. Tamara Rose - Fairbanks

Appointed: 10/27/2011 Term Expires: 3/1/2015

**Alaska Workers' Compensation Board**

Charles Collins, Jr. - Juneau

Appointed: 6/1/2010

Reappointed: 3/1/2012 Term Expires: 3/1/2015

Linda Hutchings - Soldotna

Appointed: 9/27/2005

Reappointed: 3/1/2006

Reappointed: 3/1/2009

Reappointed: 3/1/2012 Term Expires: 3/1/2015

Amy Steele - Anchorage

Appointed: 8/1/2011 Term Expires: 3/1/2013

Richard Traini, Jr. - Anchorage

Appointed: 8/15/2011

Reappointed: 3/1/2012 Term Expires: 3/1/2015

Patricia Vollendorf - Anchorage

Appointed: 4/12/2004

Reappointed: 3/10/2006

Reappointed: 3/1/2009

Reappointed: 3/1/2012 Term Expires: 3/1/2015

**Workers' Compensation Appeals Commission**

Stephen Hagedorn - Anchorage

Appointed: 3/1/2007

Reappointed: 3/1/2012 Term Expires: 3/1/2017

James Rhodes - Ketchikan

Appointed: 3/1/2012 Term Expires: 3/1/2017

At ease from 1:33 to 1:34 p.m.

**SB 211-PERS CREDIT FOR MILITARY SERVICE**

[1:34:36 PM](#)

CHAIR EGAN announced consideration of SB 211.

MICHAEL PAWLOWSKI, staff to Senator Lesil McGuire, sponsor of SB 211, said he would first like to explain the intent behind the bill and then answer questions. He said that Senator McGuire had worked with members of the peace officer and firefighter community and recognizes that these are individuals that come to the state to provide service to it in what are often very dangerous jobs, and that the state looks to them to protect life, health and safety.

He said it is a natural transition from military service to public safety fields and under current Alaska statute a member who is a peace officer or a firefighter is able to purchase up to five years of credit towards retirement for their previous military service. The problem in current law is that the purchase of that credit doesn't include the medical benefits that are available to someone that retires between the point of their retirement and their Medicare eligibility. So the intent of the legislation is to allow a purchaser to use those up to five years' credit toward satisfying the requirement for medical benefits under AS 39.35.535.

MR. PAWLOWSKI explained that section 1 of the current version of the bill provides an exception to the normal prohibition under this current purchase of retirement (that says subject to (j) of this section, the credited service created under this section may not be used to satisfy the credited service requirements for normal retirement). That essentially means that you can purchase the credit, but the credit does not apply to medical benefits because they are in a separate part of the statute.

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The attempt in the original version, in section 2, was to provide an exemption for this. However in working with the department, they found this creates a significant financial unfunded liability to the state and that was not the intent of the sponsor or the people who brought the bill to the sponsor's attention. The intent is for the person purchasing the service to bear that extra cost. The goal is to get a fair deal for the purchaser while not putting an undue burden on the state.

SENATOR GIESSEL asked him to clarify the age of retirement.

MR. PAWLOWSKI answered that the age varies and someone from the Public Service Employees Association (PSEA) might be able to answer that better. The sponsor's intent was the issue in AS 39.35.535(c), specifically where it says 25 years of credited

service as a peace officer, and passing this would allow a person to apply five years of previous military service making that 20 years. The rationale is benefiting someone who has gone through the physically demanding work of serving their country and then takes a physically demanding position to serve their state. Recognizing the unique situation they are under within the system, the sponsor wanted to create a win/win for both them and the state.

SENATOR GIESSEL asked if this 25 years is also applicable to firefighters.

MR. PAWLOWSKI replied he understood that the definition of peace officer includes firefighter.

[1:40:13 PM](#)

SENATOR MENARD moved to adopt CSSB 211( ), version 27-LS1398\M.

CHAIR EGAN objected for discussion purposes.

MR. PAWLOWSKI explained that the CS refines the problem he talked about. Section 1 amends AS 39.35.340, the regular purchasing section, which the original bill was attempting to change by breaking it into two sections recognizing first the existing purchase of credit under 340, but adding a new subsection in section 2 that provides a different methodology for calculating the additional indebtedness that an employee would be accruing. Language on page 2, lines 2-22, indicates that it's an amount based on the increase, if any, in the present value of future benefits for that year as determined by the department.

Here he explained that everyone is well used to the fact that the state's unfunded liabilities are a moving target and the goal for this language was to allow the department to capture the changing unfunded liability to keep it representative of the cost the state is incurring and limiting it to the medical benefit in AS 39.35.435(c).

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JAMES SEARS, Western Vice President, Public Service Employees Association (PSEA), Nome, Alaska, said he had served in law enforcement since 1985 and currently is serving his 14<sup>th</sup> year as an Alaska State Trooper; he also served in the U.S. Army. He supported the CS and explained that it will allow Tier 2 and Tier 3 law enforcement employees to purchase their medical time

in conjunction with the military time that they are already allowed to purchase. He said they are not asking for any handouts and are willing to pay their fair share.

He said this would save the state money and reasoned that law enforcement is a young man's game. Many law enforcement officers are the highest paid in the state but also most prone for injury when approaching 40 or 50 years of age needing the medical benefits. He said this bill would also increase morale, possibly enhance recruitment and provide an optional benefit for veterans.

SENATOR MENARD said she looked forward to this bill being passed.

SENATOR GIESSEL asked if multiplying the determined product by 6 percent on page 2, lines 3 and 4, was to cover the cost of the medical insurance.

MR. PAWLOWSKI answered that is the calculation in existing statute for the existing military service purchase that is allowed (that does not qualify towards the medical benefit). The base level of military purchase that the employee is responsible for has not been modified, but if you want to purchase the medical benefit, there is a separate indebtedness that has to be calculated on top of it. And rather than going back and trying to fiddle with the base number - because individuals might elect to purchase their military credit as they do today, but not decide to purchase the medical benefit - the goal of the CS is to set up a choice to give employees as much flexibility as possible. It would be 6 percent plus interest, plus whatever the extra indebtedness would be as calculated by the department for the medical.

CHAIR EGAN said he intended to hold SB 211 until the next meeting.

**SB 143-BD OF ARCHITECTS, ENGINEERS, SURVEYORS**

[1:48:27 PM](#)

CHAIR EGAN announced consideration of SB 143.

SENATOR GIESSEL moved to bring SB 143 before the committee.

CHAIR EGAN objected for discussion purposes.

SENATOR GIESSEL said SB 143 was filed by request, and essentially it would designate an investigator for the Board of Architects, Engineers and Land Surveyors (AELS) the same as that used for the State Medical Board. She explained that the designated investigator would help facilitate accurate and timely investigations and those timely investigations would facilitate two goals. The first is the top priority for regulation of professions, and that is public protection through appropriate licensure. The second is the responsible use of the board funds which come from licensing fees.

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SHARON LONG, staff to Senator Giessel, explained that section 1 amends AS 08.48.055 to designate an investigator specifically for the board, and section 2 outlines his duties, responsibilities and direct accountability. She added that although there is a fiscal note, that cost is covered by license fees. She explained that the AELS Board currently covers six branches of engineers and architects and that was expanded on March 11 to add 10 new categories for a total of 16 branches. The number of licensees the board currently monitors could increase dramatically from 5,600 licensees to maybe 800 to 1000 more over the next few years.

SENATOR MENARD commended Senator Giessel for this bill; she didn't see they could not pass it. She has heard a number of stories about how investigators for other boards can't physically investigate in a timely manner.

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BOYD BROWNFIELD, representing himself, Anchorage, said he has been a registered civil engineer in Alaska since August 1975. He most recently served on the AELS Board from March 2004 until March 2012 and supported having a full time investigator.

MR. BROWNFIELD said of 20 professional boards the AELS is the third largest with nursing being the first and barbers and hairdressers being the second. But AELS is the first in the category of complexity having four separate professions (engineers, architects, land surveyors and landscape architects). Additionally, within the engineering profession alone there are six different branches (civil, chemical, mechanical, electrical, mining and petroleum), each having its own separate technical challenges. These six branches will shortly increase to 15, placing a significant additional demand on the investigator if he/she is going to do a good job.

MR. BROWNFIELD explained that in reality the current investigator, John Savage, serves AELS only part time; he is assigned to five additional boards in addition to their board's demanding work load. He serves as investigator for construction contractors, mechanical administrators, electrical administrators, underground storage tanks and home inspections. So, stated more correctly, AELS has about 17 percent of one investigator's attention. He said they are fortunate in having Mr. Savage as an investigator but his workload is "staggering."

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He said the concept of having a full time investigator is not ground breaking. The Medical Board, the fourth largest professional board, already has two full-time investigators and the Real Estate Board, the sixth largest board, has a full time investigator. The Guide and Outfitters Board, the seventh largest, has one and a quarter investigators.

He thanked Senator Giessel for sponsoring this bill.

SENATOR MENARD said she felt privileged to be in the room when Lt. Governor Treadwell signed the order certifying the changes to the regulations for the AELS Board.

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COLIN MAYNARD, member, Alaska Professional Design Council (APDC), Anchorage, said it is an organization that combines the voice of nine professional design societies whose members consist of architects, engineers, land surveyors, landscape architects, and interior designers, for a combined membership of almost 2,000 design professionals and represents the interests of over 6,300 professionals and professional corporations licensed to practice in Alaska.

He said APDC's major request to the AELS Board, the Division of Occupation Licensing and the Legislature over the years has been for enforcement of the state's licensure laws that provide for public safety and welfare. But they have no effect if they are not enforced. Charges of non-licensing or substandard practice need to be investigated in a timely manner, he said, and if found credible be brought before the AELS Board or a court. A dedicated investigator is needed for timely action.

MR. MAYNARD said a question was raised in a previous hearing on whether industry was willing to pay for the dedicated investigator and the answer is an emphatic "yes." This bill would not incur one cent of oil or other general fund money. It

would be paid for by the licensees. The fiscal note indicates a cost to each licensee of less than \$35 every two years and they are more than willing to pay that to ensure that the laws are enforced.

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ERIC ERICKSON, representing himself, Juneau, supported SB 143. He said he grew up in Alaska and is a registered professional engineer and has served on the AELS board since 2009. It has given him the opportunity to gain knowledge of the AELS regulations and its mission to protect the health, safety and welfare of the public. Also during this time he has had the opportunity to receive feedback on the growing concern for insufficient investigative resources in the policing of the regulations. He said he supported the committee's position paper on SB 143 and its conclusions and recommendations, which will better serve to protect the health, safety and welfare of the public.

CHAIR EGAN removed his objection and closed public testimony. He said SB 143 would be held until the next meeting.

[2:02:57 PM](#)

Finding no further business to come before the committee, Chair Egan adjourned the Senate Labor and Commerce Standing Committee meeting at 2:02 p.m.