

ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE

February 11, 2013

3:18 p.m.

MEMBERS PRESENT

Representative Kurt Olson, Chair
Representative Lora Reinbold, Vice Chair
Representative Bob Herron
Representative Charisse Millett
Representative Dan Saddler
Representative Andy Josephson

MEMBERS ABSENT

Representative Mike Chenault

COMMITTEE CALENDAR

HOUSE BILL NO. 5

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

- MOVED HB 5 OUT OF COMMITTEE

SENATE BILL NO. 14

"An Act relating to the term of office of directors of telephone or electric cooperatives."

- MOVED SB 14 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 5

SHORT TITLE: BD OF ARCHITECTS, ENGINEERS, SURVEYORS

SPONSOR(s): REPRESENTATIVE(s) THOMPSON

01/16/13	(H)	PREFILE RELEASED 1/7/13
01/16/13	(H)	READ THE FIRST TIME - REFERRALS
01/16/13	(H)	L&C, FIN
02/11/13	(H)	L&C AT 3:15 PM BARNES 124

BILL: SB 14

SHORT TITLE: ELECTRIC/TELEPHONE COOPS: BOARD TERMS

SPONSOR(s): SENATOR(s) DYSON

01/16/13 (S) READ THE FIRST TIME - REFERRALS
01/16/13 (S) L&C
01/24/13 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
01/24/13 (S) Moved SB 14 Out of Committee
01/24/13 (S) MINUTE(L&C)
01/25/13 (S) L&C RPT 3DP 1NR
01/25/13 (S) DP: DUNLEAVY, ELLIS, MICCICHE
01/25/13 (S) NR: STEDMAN
01/30/13 (S) TRANSMITTED TO (H)
01/30/13 (S) VERSION: SB 14
02/01/13 (H) READ THE FIRST TIME - REFERRALS
02/01/13 (H) L&C
02/11/13 (H) L&C AT 3:15 PM BARNES 124

WITNESS REGISTER

REPRESENTATIVE STEVE THOMPSON
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified as prime sponsor of HB 5.

DON HABEGER, Director
Division of Corporations, Business, and Professional Licensing
Department of Commerce, Community, & Economic Development
Juneau, Alaska

POSITION STATEMENT: Answered questions during the discussion of HB 5.

COLIN MAYNARD, Civil Engineer; Member
Board of Architects, Engineers, and Land Surveyors (AELS)
Department of Commerce, Community & Economic Development (DCCED)
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 5.

DALE NELSON, Civil Engineer;
Chair, Legislative Liaison
Alaska Professional Design Council (APDC)
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 5.

JANET MATHESON, Architect
American Institute of Architects, Alaska Chapter (AIA-AK);
Member, Alaska Professional Design Council (APDC)
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of HB 5.

SENATOR FRED DYSON
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified as prime sponsor of SB 14.

JOSHUA BANKS, Staff
Senator Fred Dyson
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified on behalf of Senator Fred Dyson,
the prime sponsor of SB 14.

PHIL STEYER, Director
Government Relations & Corporate Communications
Chugach Electric Association, Inc. (CEA)
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 14.

ACTION NARRATIVE

[3:18:00 PM](#)

CHAIR KURT OLSON called the House Labor and Commerce Standing Committee meeting to order at 3:18 p.m. Representatives Josephson, Saddler, Reinbold, Herron, Millett, and Olson were present at the call to order.

HB 5-BD OF ARCHITECTS, ENGINEERS, SURVEYORS

[3:18:22 PM](#)

CHAIR OLSON announced that the first order of business would be HOUSE BILL NO. 5, "An Act relating to the Board of Registration for Architects, Engineers, and Land Surveyors and to the Department of Commerce, Community, and Economic Development."

[3:18:46 PM](#)

REPRESENTATIVE STEVE THOMPSON, Alaska State Legislature, stated that this bill would add a dedicated investigator position to help ensure health, safety, and welfare of Alaskans. The position is fully funded by the licensing fees of the Board of Architects, Engineers, and Land Surveyors (AELS). Additionally, the bill would update the examination formats to allow for electronic examinations, rather than just written exams. Presently the AELS board shares one investigator position who also serves six other boards. Thus the investigator works part-

time for the AELS board. Last year the board added the number of engineering branches from 6 to 15 branches, and increased the number of licensees to a total of 6,439 licensees; however the amount of the time has not increased. In conclusion, he said hiring a full-time investigator can help ensure the board can continue to protect the state from risk hazards in public health, safety, and welfare.

REPRESENTATIVE THOMPSON said the change in statute would help the board to maintain proper oversight of licensees and ensure compliance with state statutes and regulations. He pointed out the position is fully funded by licensees through the professionals' biennial license fees and would have no impact on the general fund.

[3:20:49 PM](#)

REPRESENTATIVE MILLETT asked about the fiscal note.

REPRESENTATIVE THOMPSON answered that the position is funded with program receipts at \$115.5 thousand per year. He said that the AELS professionals' biennial licensing fees will increase in December 2013 to cover the expense.

[3:21:27 PM](#)

REPRESENTATIVE JOSEPHSON understood the executive secretary must insulate him or herself from the board. He asked whether the investigator position would be insulated from the board so the board is neutral.

REPRESENTATIVE THOMPSON said he was unsure.

[3:22:25 PM](#)

DON HABEGER, Director, Division of Corporations, Business, and Professional Licensing (DCBPL), Department of Commerce, Community, & Economic Development (DCCED), answered yes. He said the board must sit in judgment on investigative matters so the investigator can report some information to the board, but cannot provide any details that would taint the case.

[3:23:32 PM](#)

REPRESENTATIVE SADDLER asked whether other boards have designated investigators.

MR. HABEGER said this would be the third. He stated that the Alaska Medical Board was the first to have a dedicated investigator.

[3:24:12 PM](#)

REPRESENTATIVE MILLETT asked whether the Alcoholic Beverage Control Board (ABC Board) also had an investigator.

MR. HABEGER said the ABC Board is not under the DCCED's jurisdiction so he was unsure.

[3:24:34 PM](#)

REPRESENTATIVE SADDLER asked whether any state statutes apply generally to professional boards.

MR. HABEGER recalled the centralized licensing statutes give the division general authority for investigations, but he did not recall the specific cite.

[3:25:32 PM](#)

COLIN MAYNARD, Civil Engineer; Member, Board of Architects, Engineers, and Land Surveyors (AELS), stated he is a structural engineer and serves on the AELS board. He said the AELS historically has had 2.5 investigator positions, but over time the positions were reduced to the current single investigator shared with six other boards. The investigator currently has significant work just from the AELS board. So far the investigator opened 13 new cases in the last quarter and currently has 22 open cases. Additionally, the investigator closed 30 cases in the past three months. Further, the AELS board added nine new engineering disciplines in March. As a result this will add to the investigator's work load, in particular, since an influx of out of state design professional licensees are applying for licensure in Alaska. He reported the investigator must become familiar with all standards of practice, statutes and regulations for each profession, including architects, engineers, land surveyors, and landscape architects. Since the investigator is shared by other boards, he has had limited time for onsite inspections at construction sites to ensure that the appropriate design professional is involved. The AELS board has also observed increased activity due to the economy in the Lower 48. He offered his belief that having a dedicated position would have a positive influence on investigators and provide for quicker resolution of cases. He

recalled three cases are still pending from 2009, although two are currently in the attorney general's office. Currently, the investigator has been limited to conducting enforcement in urban areas. Thus, this bill could help by providing the mechanism for statewide licensing enforcement to determine unlicensed activities. The fees will be paid for by licensees through biennial license fees. Another section of the bill relates to computer-based testing for engineering licensing exams by removing "written" from the statutes. The engineering computer-based tests will go into effect in January 2014. The architects have had computer-based testing for a number of years and this will bring the engineers up to par, she said.

[3:29:15 PM](#)

REPRESENTATIVE SADDLER asked for the cost per licensee to cover the dedicated investigator.

MR. MAYNARD suggested it would cost an estimated \$15 per year or \$30 per biennium per licensee.

[3:29:51 PM](#)

REPRESENTATIVE JOSEPHSON said he was impressed by the proactive actions by the AELS board to identify the need and pay for the cost of the investigator through professional licensing fees.

[3:30:39 PM](#)

DALE NELSON, Civil Engineer; Chair, Legislative liaison, Alaska Professional Design Council (APDC), stated he falls under the regulations of the AELS board since he is a registered civil engineer. He reported the APDC represents nine design professional organizations, consisting of 5,000 members. He said the APDC has been following the investigator issue, the APDC legislative committee has discussed the need for a dedicated full-time investigator for the AELS professions, and has raised the issue in its newsletter to members. Thus far the APDC has not received any negative comments from its members. He acknowledged the AELS licensees will be pay for the additional costs of the dedicated investigator. He related that design professionals sign a document that they are practicing for the health, safety, and welfare of the public. He concluded with APDC's support for HB 5.

[3:33:10 PM](#)

JANET MATHESON, Architect, American Institute of Architects, Alaska Chapter (AIA-AK); Member, Alaska Professional Design Council (APDC), stated she is a registered professional architect and has been practicing in Fairbanks since 1977. She related she is speaking for 200 design professional members in the AIA who favor the investigator position in HB 5. She said problems exist, including problems with comity licensure - architects coming in from the Lower 48 to work in Alaska - and with design overlap between professions related to miscellaneous services. In some instances, design professionals may perform more work than constitutes miscellaneous services. Additionally, problems exist in terms of public safety since the design professionals are responsible from an insurance perspective for all work done on a project, including engineering. Further, the state has issues with Lower 48 firms who employ architects not licensed in Alaska to work on projects located in Alaska.

MS. MATHESON said the AIA-AK and APDC would like a full-time dedicated investigator position since the existing investigator services represents one-sixth coverage for design professional services provided under the AELS board. As previously stated, the current investigator can only concentrate on the Anchorage bowl area, yet the northern, northeast, southwest, and southeast parts of the state also have substantial construction projects that could benefit from the investigator's services. Finally, the full-time dedicated investigator position will be funded by fees and not from the general fund. She reiterated the examination portion of the bill will bring engineers up to date since architectural examinations are totally electronic computer-based examinations. She said she would appreciate consideration of HB 5.

[3:35:26 PM](#)

CHAIR OLSON, after first determining no one else wished to testify, closed public testimony on HB 5.

[3:35:47 PM](#)

CHAIR OLSON remarked the investigator position is paid for by design professionals requesting the bill.

[3:36:00 PM](#)

REPRESENTATIVE REINBOLD moved to report HB 5 out of committee with individual recommendations and the accompanying fiscal

note. There being no objection, HB 5 was reported from the House Labor and Commerce Standing Committee.

The committee took an at-ease from 3:36 p.m. to 3:38 p.m.

SB 14-ELECTRIC/TELEPHONE COOPS: BOARD TERMS

[3:38:17 PM](#)

CHAIR OLSON announced that the final order of business would be SENATE BILL NO. 14, "An Act relating to the term of office of directors of telephone or electric cooperatives."

CHAIR OLSON stated SB 14 is identical to the companion bill the committee heard last week.

[3:38:36 PM](#)

SENATOR FRED DYSON, Alaska State Legislature, prime sponsor of SB 14, stated SB 14 does not have any known opposition. He said that several utilities asked for an extension in board member terms from three to four years. He concluded that this change would be permissive and not mandatory.

[3:39:21 PM](#)

JOSHUA BANKS, Staff, Senator Fred Dyson, Alaska State Legislature, reiterated the bill is permissive and will not make any mandatory changes to telephone or electric cooperatives. However, the proposed changes would be beneficial to electric and telephone cooperatives since new directors have a steep learning curve. This bill would also assist new directors in being more productive for members of the cooperatives. Additionally, this bill would give cooperatives more flexibility for elections. Currently, AS 10.25.160 requires cooperatives to hold elections each year with one-third of the board terms up for elections. Under SB 14, telephone and electric cooperatives can choose to hold biennial elections rather than annual elections. The terms of directors would be staggered terms. He reiterated the bill is permissive and not mandatory. Most cooperatives have bylaws that will also need to be changed to allow them to lengthen the terms of their board of directors. He reported that Chugach Electric Association, Inc. (CEA) and the Alaska Power Association (APA) have submitted letters of support. He also reported the APA represents 15 electric cooperatives throughout the state. Additionally, the International Brotherhood of Electrical Workers (IBEW) also

supports SB 14, and the sponsor is not aware of any opposition to the bill.

[3:42:08 PM](#)

REPRESENTATIVE SADDLER asked whether utilities other than CEA have expressed interest in these changes.

MR. BANKS answered that the APA also passed a resolution in support of SB 14. He said he was not aware of other electric or telephone cooperatives who were anxious to implement the changes offered by the bill.

CHAIR OLSON suggested perhaps service areas may be interested next year, especially from smaller communities that have difficulty in obtaining a full list of candidates.

[3:43:19 PM](#)

REPRESENTATIVE SADDLER asked whether this bill would have any effect on recruitment abilities.

MR. BANKS said he imagined it would help in recruiting new directors since it would allow new directors more time to get caught up on the technical aspects of the industries and it would not be quite as daunting a task to step in for those with little experience in electric or telephone cooperatives.

[3:44:32 PM](#)

PHIL STEYER, Director, Government Relations & Corporate Communications, Chugach Electric Association, Inc. (CEA), said that CEA is supportive of the bill. He stated his comments would be akin to his testimony on the house version of the bill last week. He reiterated his support for SB 14 on behalf of the industry.

[3:45:19 PM](#)

CHAIR OLSON, after first determining no one else wished to testify, closed public testimony on SB 14.

[3:45:50 PM](#)

REPRESENTATIVE SADDLER moved to report SB 14 out of committee with individual recommendations and the accompanying fiscal

note. There being no objection, SB 14 was reported from the House Labor and Commerce Standing Committee.

3:46:14 PM

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 3:46 p.m.