

CSSB

365

HOUSE COMMITTEE REPORT

(11)

Date referred: 4/19/88

FURTHER REFERRALS:

DATE: 5/4/88

The Finance Committee has considered CSSB 365(Fin)

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

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) _____ a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(s):

- fiscal impact
- zero fiscal note
- zero with analysis
- same as previous fiscal note published _____
- same as previous zero fiscal note published Senate 4/13/88

SIGNING DO PASS:

ADAMS [Signature]

POURCHOT [Signature]

LARSON [Signature]

GOLL [Signature]

SWACK [Signature]

BOYER [Signature]

RIEGER [Signature]

FRANK [Signature]

WALLIS [Signature]

BROWN [Signature]

DAVIS [Signature]

SIGNING OTHER RECOMMENDATIONS:

[Signature]
Chairman's signature

STATE OF ALASKA
1983 LEGISLATIVE SESSION

BILL VERSION: CSSB: 365 (Fin) AB
PUBLISH DATE: SENATE 4/13/88

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Commerce & Econ. Dev.
Title: An Act extending the termination date BRU: Occupational Licensing
of the State Board of Registration for Architects, Eng.. & LS...
Sponsor: Senators Kelly and Szymanski Components: _____
Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS : (Attach a separate page if necessary)

Funding for the State Board of Registration for Architects, Engineers and Land Surveyors is included in the department's FY 89 operating budget request

Prepared by: Jennifer Strickler, Management Analyst Phone: 465-2144
Division: Occupational Licensing Date: 2/8/88

Approved by Commissioner: J. Anthony Smith Date: 2/8/88
Agency: Commerce and Economic Development

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

FEB 9 1988

page 1 of 1

Original sponsors: Kelly and Szymanski

1 IN THE SENATE BY THE FINANCE COMMITTEE
2 CS FOR SENATE BILL NO. 365 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - SECOND SESSION
5 A BILL
6 For an Act entitled: "An Act extending the termination date of the State
7 Board of Registration for Architects, Engineers, and
8 Land Surveyors; and providing for an effective date."
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
10 * Section 1. AS 08.03.010(c)(15) is amended to read:
11 (15) State Board of Registration for Architects, Engineers,
12 and Land Surveyors (AS 08.48.011) -- June 30, 1991 [1988].
13 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

A PERFORMANCE REPORT
ON THE BOARD OF
REGISTRATION FOR ARCHITECTS,
ENGINEERS, AND LAND SURVEYORS

July 1, 1983 - June 30, 1987

Audit Control Number

08-1317-88-R

Commissioner, Department of
Commerce and Economic
Development

J. Anthony Smith

Deputy Commissioner, Department
of Commerce and Economic
Development

John Williams

Member of the Board of Registration for
Architects, Engineers, and Land Surveyors

Member
Member
Member
Member
Member
Member
Member
Member
Member

Wayne K. Jensen
Gorden S. Best
Rajiev Bhargava
Robert B. Boswell
Jacquelyn R. Luke
Malcolm A. Menzies
Robert A. Perkins
Sandra L. Sampson-Jones
E. Odin Strandberg

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION
P.O. BOX W
JUNEAU, ALASKA 99811-3300

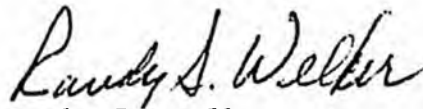
December 31, 1987

Members of the Legislative Budget
and Audit Committee:

According to the provisions of Titles 24 and 44 of the Alaska Statutes, the Division of Legislative Audit is required to conduct a "Sunset" review of the Board of Registration for Architects, Engineers, and Land Surveyors.

At the request of the Chairman, during Fiscal Year 1988 budget deliberations, the Audit Division's budget was revised to reflect certain changes in the organization of the Committee's two Divisions. The revised budget of the Audit Division reflected efficiencies that might be obtained by utilizing the staff of the Legislative Finance Division on selected audit assignments during the interim.

As a result, the audit of the Board of Registration for Architects, Engineers, and Land Surveyors was conducted and this report has been prepared by the Legislative Finance Division. We feel this report discharges our responsibility under Titles 24 and 44. The report is submitted for your review.



Randy S. Welker, CPA
Acting Legislative Auditor
Division of Legislative Audit

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

FINANCE DIVISION
POUCH WF-STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3796

December 10, 1987

Members of the Legislative Budget
and Audit Committee:

In accordance with the provisions of Title 24 and 44 of the
Alaska Statutes (sunset legislation), the attached report is
submitted for your review.

A PERFORMANCE REPORT
ON THE BOARD OF
REGISTRATION FOR ARCHITECTS,
ENGINEERS, AND LAND SURVEYORS

July 1, 1983 - June 30, 1987

Audit Control Number

08-1317-88-R



Mike Greany, Director
Division of Legislative Finance

TABLE OF CONTENTS

	<u>Page</u>
Purpose and Scope of the Report.	1
Organization and Function.	3
Report Conclusion.	5
Finding and Recommendation	7
Analysis of Public Need.	9
Appendixes:	
A. Schedule of Revenues Compared with Expenditures, for Fiscal Year 1987.	13
B. Schedule of Estimated Revenues Compared with Budgeted Expenditures, for Fiscal Year 1988	14
C. Schedule of Types of Revenues.	15
Agency Response:	
Department of Commerce and Economic Development.	17

PURPOSE AND SCOPE OF THE REPORT

PURPOSE

In accordance with the intent of Titles 24 and 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities of the Board of Registration for Architects, Engineers, and Land Surveyors for the past four fiscal years. Our examination was conducted to determine if the Board has been operating in an efficient and effective manner.

Legislative intent requires consideration of this report during legislative oversight hearings to determine whether the Board of Registration for Architects, Engineers, and Land Surveyors should be reestablished. The law now specifies that this Board will terminate on June 30, 1988, and have one year from that date to conclude its affairs.

SCOPE

The major areas of our examination were the licensing, examination, administration, complaint, and affirmative action functions of the Board. We reviewed and evaluated the following:

1. Applicable statutes and regulations.
2. Interviews with Board members.
3. Tests of files and documents of licensees.
4. Interviews with license examiners.
5. Complaints filed with the Division of Occupational Licensing, Human Rights Commission, Equal Employment Opportunity Office, Attorney General's Office, and the Ombudsman's Office.
6. Minutes of Board meetings and Division correspondence files.
7. Attorney General's opinions applicable to professional boards.

(Intentionally left blank)

ORGANIZATION AND FUNCTION

The Board of Architects, Engineers, and Land Surveyors is a regulatory board with nine members consisting of two civil engineers, one land surveyor, one mining engineer, two engineers from other branches of the engineering profession two architects, and one public member.

The Board sets the minimum standards to practice in Alaska by:

1. Examining and issuing licenses to qualified applicants.
2. Establishing, amending, or eliminating regulations controlling architect, engineer, and land surveyor practices.
3. Revoking, annulling, or suspending licenses in accordance with the Administrative Procedures Act when a person has violated architect, engineer, and land surveyor statutes or regulations.

(Intentionally left blank)

REPORT CONCLUSION

Policy Issues

This report contains policy issues raised as a result of our evaluation of various Board practices. The final policy decisions affecting these practices are not within the scope of this report but require legislative consideration. In debating these issues, the oversight committees should take into consideration the finding and recommendation presented in this report so the potential impact of policy changes can be evaluated.

Report Conclusion

In our opinion, the Board of Registration for Architects, Engineers, and Land Surveyors should be reestablished. The regulation and licensing of qualified professionals is necessary to protect the public's health, safety, and welfare. The Board provides this service by establishing minimum educational and experience requirements that provide reasonable assurance that persons licensed are qualified. Also, assurances that those licensed act in a competent manner is provided by active investigation of complaints and revocation or suspension of licenses where appropriate.

The following finding describe areas where weaknesses or conflict exist. We have made a recommendation which, if implemented, will improve the efficiency and effectiveness of the Board.

(Intentionally left blank)

FINDING AND RECOMMENDATION

Recommendation No. 1

Legislation should be introduced requiring continuing education for architects, engineers, and land surveyors.

Architects, engineers, and land surveyors must demonstrate a high degree of educational and practical competence before they can become registered in Alaska. However, renewal of certificates is not dependent upon evidence of a professional's continued competence.

Continuing education, although not a absolute guarantee, provides a reasonable means of assuring continuing competency in a profession. A program of continuing education will help avoid professional obsolescence and keep practitioners aware of changes taking place in the profession.

Most professional licensing boards require continuing education to assure that license renewal is based upon evidence of professional continued competency.

(Intentionally left blank)

ANALYSIS OF PUBLIC NEED

Limited Analysis

The following analyses indicate both positive and negative factors as they relate to the public need as defined in the "sunset" law. These analyses are not intended to be comprehensive, but to address those areas we were able to cover during our examination.

- I. The extent to which the board, commission or program has operated in the public interest.
 - A. The Board holds at least four regular meetings each year.
 - B. The Board holds written exams at least twice each year, except for certain national examinations that are held only once a year.
- II. The extent to which the operation of the board, commission, or agency program has been impeded or enhanced by existing statutes, procedures, and practices which it has adopted, and any other matter, including budgetary, resource, and personnel matters.
 - A. The Board has received assistance from DOL relative to the drafting of legislation and regulatory changes.
 - B. The Board has received legal assistance from the Attorney General's Office.
- III. The extent to which the board, commission, or agency has recommended statutory changes which are generally of benefit to the public interest.

The Board adopted regulations that clarified various vague statutory and regulatory requirements.
- IV. The extent to which the board, commission, or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service which it has provided.

The Board has published public notices of all examination, and meetings.
- V. The extent to which the board, commission, or agency has encouraged public participation in the making of its regulations and decisions.

Public notices of proposed regulations are published in major newspapers. Public comment on proposed regulations, both written and oral, are considered at Board meetings.

- VI. The efficiency with which public inquiries or complaints regarding the activities of the board, commission, or agency filed with it, with the department to which a board or commission is administratively assigned, or with the Office of the Ombudsman have been processed and resolved.

The Board has taken appropriate action to resolve complaints filed with the Office of Ombudsman. No complaints were filed with the Attorney General's Office.

- VII. The extent to which a board or commission which regulates entry into an occupation or profession has presented qualified applicants to serve the public.

- A. We found no instances where the Board has licensed unqualified practitioners.
- B. Architects, engineers, and land surveyors are not required to demonstrate their continued competence through a continuing education program (see Recommendation No. 1).

- VIII. The extent to which State personnel practices, including affirmative action requirements, have been complied with by the board, commission, or agency to its own activities and the area of activity or interest.

According to the Office of Equal Employment Opportunity, no complaints were filed against the Board from FY84 through FY87.

- IX. The extent to which statutory, regulatory, budgeting, or other changes are necessary to enable the agency, board, or commission to better serve the interests of the public and to comply with the factors enumerated in this subsection.

Please refer to the previous section, Finding and Recommendation.

APPENDIXES

(Intentionally left blank)

APPENDIX A

BOARD OF REGISTRATION FOR
ARCHITECTS, ENGINEERS,
AND LAND SURVEYORS
SCHEDULE OF
REVENUES COMPARED WITH EXPENDITURES
For Fiscal Year 1987
(Unaudited)
(Note 1)

Average Revenue (Note 2)	\$149,302
Expenditures (Note 3)	<u>251,320</u>
Excess of Expenditures over Revenues	<u>\$102,018</u>

Note 1

The Schedule of Revenues Compared with Expenditures was prepared from available records and discussions with the Division of Occupational Licensing (DOL) personnel. The records were not audited by us and, accordingly, we do not express an opinion on the Board's Schedule of Revenues Compared with Expenditures.

Note 2

A significant portion of revenues is composed of license renewal fees. Licenses are renewed biennially. Because of the renewals, revenues vary substantially between years. Therefore, we combined revenues collected in fiscal year 1986 and 1987; and calculated a total in order to obtain a representative amount of average annual revenues collected. Licensing fees were increased in November 1986 in response to legislative intent to make the Boards more self supporting. See Appendix C for the current fee schedule.

Note 3

Expenditures consist of direct costs resulting from board member activities, (i.e. travel and per diem) and an allocation of direct and indirect costs of DOL. It should be noted, that represented expenditures do not include expenses incurred by other Departments or other divisions of the Department of Commerce and Economic Development in assisting the Board.

APPENDIX B

BOARD OF REGISTRATION FOR
ARCHITECTS, ENGINEERS,
AND LAND SURVEYORS
SCHEDULE OF ESTIMATED REVENUES
COMPARED WITH BUDGETED EXPENDITURES
For Fiscal Year 1988
(Unaudited)
(Note 1)

Average Revenue (Note 2)	\$296,000
Expenditures (Note 3)	<u>280,119</u>
Excess of Revenue Over Expenditure	<u>\$ 15,881</u>

Note 1

The Division of Occupational Licensing (DOL) prepared the above Schedule of Estimated Revenues Compared with Budgeted Expenditures. The schedule is included for informational purposes only and has not been audited by us. Accordingly, we do not express an opinion on the Board's Schedule of Estimated Revenues Compared with Budgeted Expenditures.

Note 2

Revenues were estimated based upon the current licensing fees (See Appendix C) and projected license renewals and application fees for fiscal years 1988, 1989, 1990 and 1991. Because of a downward trend in Alaska's economy the projection for revenues includes a factor representing a 20% to 30% decline in the number of licensed professionals.

Note 3

Expenditures consist of FY88 budgeted direct costs associated with board member activities (i.e. travel and per diem) and a allocation of direct and indirect costs of DOL. It should be noted that represented expenditures do not include expenses incurred by other Departments or other divisions of the Department of Commerce and Economic Development in assisting the Board.

APPENDIX C

BOARD OF REGISTRATION FOR
ARCHITECTS, ENGINEERS,
AND LAND SURVEYORS
SCHEDULE OF TYPES OF REVENUES
(Unaudited)
(Note 1)

<u>Revenues</u>	<u>Amount</u>	<u>Collection Time</u>
Application For Individual By Exam	\$ 20	With Application
Application For Corporation Authorization	\$ 20	With Application
Application By Comity Examination Fees*	\$120	With Application
Fundamentals of Engineering (EIT)	\$ 50	With Application
Professional Engineering (PE)	\$100	With Application
Fundamentals of Land Surveying (LSIT)	\$ 50	With Application
Principals & Practices of Land Surveying	\$ 50	With Application
Alaska Land Surveying (AKLS)	\$ 75	With Application
Architect Registration Exam (ARE)		
Division A	\$ 40	With Application
Division B	\$ 40	With Application
Division C	\$ 75	With Application
Division D	\$ 25	With Application
Division E	\$ 20	With Application
Division F	\$ 15	With Application
Division G	\$ 25	With Application
Division H	\$ 30	With Application
Division I	\$ 30	With Application
For Entire ARE Exam	\$300	With Application
Individual Registration & Renewal Fee (Renewals paid biennially.)	\$100	
Corporate Authorization & Renewal Fee (Renewals paid biennially. Corporations registered in the second half of the biennium pay one-half of their first renewal fee.)	\$400	
Amendment to Corporate Authorization	\$ 50	With Amendment
Penalty for Reinstatement of Lapsed Registration	\$ 20	With Reinstatement
Postponement of Examination	\$ 20	With Request For Postponement
Duplicate License	\$ 5	With Request
Duplicate Certificate	\$ 20	With Request
Verification of Registration	\$ 5	With Request
Name Change	\$ 5	With Request
Returned Check (NSF)	\$ 20	

* Reexamination fees are the same as the initial exam fees.

Note 1

This schedule represents the licensing fees currently in effect. Fees were raised in November 1986 in response to legislative intent to make the boards more self supporting.

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

P. O. BOX D
JUNEAU, ALASKA 99811-0300
PHONE: (907) 465-2500

OFFICE OF THE COMMISSIONER

January 20, 1988

JAN 27 1988

LEGISLATIVE
AUDIT

Mr. Randy Welker
Acting Legislative Auditor
Division of Legislative Audit
Budget and Audit Committee
P.O. Box W
Juneau, AK 99811-3300

Dear Mr. Welker:

This is written in response to the Budget and Audit Committee's (hereinafter "Committee") audit report of its sunset performance review of the Board of Registration for Architects, Engineers and Land Surveyors (hereinafter "AELS Board"). Below is the Department of Commerce and Economic Development's (hereinafter "Department") comments on the Committee's recommendation.

Recommendation #1

The Committee has found that a program of continuing education "provides a reasonable means of assuring continuing competency in a profession" and has recommended that legislation "be introduced requiring continuing education for architects, engineers, and land surveyors." The Department is cognizant that this matter has been the subject of much discussion by the AELS Board and that action to set a continuing education program in place has not yet been taken by the Board.

Nevertheless, the Department concurs in the recommendation of the Committee and would support passage of legislation requiring continued education for AELS professionals. Such legislation could be made a part of the bill which reestablishes the AELS Board this Second Session of the Fifteenth Legislature.

Sincerely,



J. Anthony Smith
Commissioner

JAS/mst6867c
011988c



1 IN THE SENATE

BY KELLY AND SZYMANSKI

2

SENATE BILL NO. 365

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act extending the termination date of the State
7 Board of Registration for Architects, Engineers, and
8 Land Surveyors; and providing for an effective date."

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

10 * Section 1. AS 08.03.010(c)(15) is amended to read:

11 (15) State Board of Registration for Architects, Engineers,
12 and Land Surveyors (AS 08.48.011) -- June 30, 1992 [1988].

13 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).