

HB

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FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 5/4/05

FURTHER:

REPORTED OUT

MAY 5 2005

SENATE FINANCE
COMMITTEE

DATE TURNED
IN TO OFFICE:

Smyles

Finance Committee considered CS FOR HOUSE BILL NO. 123(RL S) am

HB 123 OCCUPATIONAL BDS:EXTENSION/RECEIPTS/PSYCH

"An Act relating to occupational licensing fees, fines, and penalties and to regulatory board fines; extending the termination dates of the Boards of Barbers and Hairdressers, Social Work Examiners, Pharmacy, Professional Counselors, Psychologist and Psychological Associate Examiners, and Veterinary Examiners; relating to psychologist licensing by credentials; relating to an exemption that allows one bill to continue more than one board, commission, or agency program; and providing for an effective date."

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

CS Senate Bill:

- Same Title
- New Title

SCS House Bill:

- Same Title
- Technical Title Change
- New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Ind.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Ind.	Zero	FN#
DCCED	7/3/05	F407		✓	#1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>	✓			
<i>[Signature]</i>			✓	
<i>[Signature]</i>	✓			
COCHAIR: <i>Gary Wilken</i>	✓			
COCHAIR: <i>Linda Green</i>	✓			

FISCAL NOTE

REPORTED OUT

MAY 5 2005

SENATE FINANCE
COMMITTEE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSHB 123(L&C)
 (H) Publish Date: 2/9/05

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
 Title: Occupations: Fee and Extension of Boards RDU: Occupational Licensing (117)
 Component: Occupational Licensing
 Sponsor: Labor and Commerce
 Requester: House Labor and Commerce Component No.: 2360

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services	0.0	333.7	333.7	333.7	333.7	333.7
Travel	0.0	36.5	36.5	36.5	36.5	36.5
Contractual	0.0	115.6	115.6	115.6	115.6	115.6
Supplies	0.0	0.4	0.4	0.4	0.4	0.4
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	486.2	486.2	486.2	486.2	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (1156)	0.0	486.2	486.2	486.2	486.2	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other 1156 - Receipt Supported Services	0.0	486.2	486.2	486.2	486.2	0.0
TOTAL	0.0	486.2	486.2	486.2	486.2	0.0

Estimate of any current year (FY2005) cost: 486.2

Check this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

HB 123 allows fines and penalties collected by various occupations to be included with fee collections for the purpose of determining whether revenue collected approximately equals the total costs of regulation for an occupation or board.

The bill also extends the following Boards to June 30, 2009: Barbers and Hairdressers, Social Workers, Pharmacy, Professional Counselors, Psychology, and Veterinary. In accordance with AS 08.03.020, funding is extended one year following the termination date allowing the Boards to conclude their affairs. FY 2006 funding is included in the Operating Budget request. The costs shown for subsequent fiscal years reflect the direct costs included in the FY 2006 budget. The direct costs by board are shown on the attached page.

Prepared by: Jennifer Strickler, Administrative Manager Phone: (907) 465-2144
 Division: Occupational Licensing Date/Time: 2/3/05 6:14 PM
 Approved by: Edgar Blatchford, Commissioner Date: 2/3/2005
 Agency: Commerce, Community and Economic Development

FISCAL NOTE #1

STATE OF ALASKA
2005 LEGISLATIVE SESSION

BILL NO. CSHB 123(L&C)

ANALYSIS CONTINUATION

DIRECT Expenses

	Barbers and Hairdressers	Social Workers	Pharmacy	Professional Counselors	Psychology	Veterinary	TOTAL
Personal Svcs	122,077.11	33,827.27	73,370.00	33,902.01	37,247.84	33,271.49	333,695.72
Travel	5,724.95	2,735.15	12,807.18	4,889.65	7,425.37	2,856.80	36,489.10
Contractual	34,760.13	8,247.63	34,472.41	7,356.23	23,623.41	7,138.79	115,598.60
Commodities	172.03	14.84	57.61	14.83	12.48	153.47	425.26
Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	162,734.22	44,874.89	120,707.20	46,162.72	68,309.10	43,420.55	486,208.68

The costs above reflect the FY04 Direct costs by Board and are included in the FY05 Budget and the Governor's FY06 operating budget request.

Alaska State Legislature

House of Representatives



Official Business

State Capitol
Juneau, AK 99801-1182

SPONSOR STATEMENT FOR CS HB 123(RLS) am BY: Representative Tom Anderson

TITLE: "An Act relating to occupational licensing fees, fines, and penalties and to regulatory board fines; extending the termination dates of the Boards of Barbers and Hairdressers, Social Work Examiners, Pharmacy, Professional Counselors, Psychologist and Psychological Associate Examiners, and Veterinary Examiners; relating to psychologist licensing by credentials; relating to an exemption that allows one bill to continue more than one board, commission, or agency program; and providing for an effective date."

CSHB 123(RLS) am extends the sunset for the boards of Barbers and Hairdressers, Social Work Examiners, Pharmacy, Professional Counselors, Psychologists and Psychological Associate Examiners and Veterinary Examiners. Each of these boards have been recommended by Legislative Audit for extension.

Additionally, CSHB 123(RLS) am provides an additional provision for licensing by credential for the Board of Psychologists & Psychological Associates in AS 08.86.150.

The additional provision allows the Board of Psychology & Psychological Associates to adopt regulations that recognize other credentialing organizations. Currently, the statute provides for licensing by credential through the American Board of Professional Psychology.

I would ask for your support on CS HB 123.

Alaska State Legislature

House of Representatives



Official Business

State Capitol
Juneau, AK 99801-1182

Sectional Analysis for CSHB 123(RLS) am BY: Representative Tom Anderson

- Section 1. Extends the sunset of the Board of Barbers and Hairdressers to June 30, 2011.
- Section 2. Extends the sunset of the Board of Social Work Examiners to June 30, 2010.
- Section 3. Extends the sunset of the Board of Pharmacy to June 30, 2010.
- Section 4. Extends the sunset of the Board of Professional Counselors to June 30, 2010.
- Section 5. Extends the sunset of the Board of Psychologist and Psychological Associate Examiners to June 30, 2010.
- Section 6. Extends the sunset of the Board of Veterinary Examiners to June 30, 2009.
- Section 7. Allows the Board of Psychology & Psychological Associates to adopt regulations that recognize other credentialing organizations. Currently, the statute provides for licensing by credential through the American Board of Professional Psychology.
- Section 8. Adds fines and penalties to the program receipts accounted for separately, and appropriated from program receipts to clarify they are not made from the unrestricted general fund.
- Section 9. Repeals AS 08.95.920.
- Section 10. Allows the grouping of these five sunset extensions into one bill.
- Section 11. Establishes the immediate effective date of this Act.

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES

Summary of Agencies Under Sunset Review
June 30, 2005

Board of Public Accountancy	Yes	2009	4 years	Yes					✓
Board of Registration for Architects, Engineers and Land Surveyors	Yes	2009	4 years	Yes		✓			✓
Board of Barbers and Hairdressers	Yes	2011	6 years	Yes		✓			
Board of Social Work Examiners	Yes	2010	5 years	Yes					
Board of Professional Counselors	Yes	2010	5 years	Yes		✓			
Board of Marital and Family Therapy	Yes	2010	5 years	No		✓	✓	✓	
Board of Psychologists and Psychological Associate Examiners	Yes	2010	5 years	No			✓	✓	
Board of Veterinary Examiners	Yes	2009	4 years	Yes					✓
Board of Dental Examiners	Yes	2011	6 years	Yes					
Board of Pharmacy	Yes	2010	5 years	No				✓	✓
Suicide Prevention Council	Yes	2009	4 years	N/A			✓		✓
Alaska Seismic Hazards Safety Commission	No			N/A		✓			✓

Summary of Agencies Under Sunset Review
June 30, 2004

Board Name	Extend	Date	Length	Financially Solvent	Legislative Recommendations	Other Recommendations		
						Appointments	Changes	Other
Board of Real Estate Appraisers	Yes	2008	4 years	Yes				
Board of Dispensing Opticians	No	N/A	N/A	No			✓	✓

Alaska State Legislature

House of Representatives



Official Business

State Capitol
Juneau, AK 99801-1182

ATTACHMENT DOCUMENT FOR CSHB 123(RLS) am
BY: Representative Tom Anderson

Attached please find the Report Conclusions from the Audit Reports as published by Pat Davidson and Legislative Audit.

1. Board of Barbers and Hairdressers
2. Board of Social Work Examiners
3. Board of Pharmacy
4. Board of Professional Counselors
5. Board of Psychologist and Psychological Associate Examiners
6. Board of Veterinary Examiners

REPORT CONCLUSIONS

In our opinion, the termination date for the Board of Barbers and Hairdressers (BBH) should be extended. BBH is effectively regulating the various professions under its purview – barbers, hairdressers, estheticians, manicurists, body piercers, and tattooists. The board is safeguarding the public interest by ensuring individuals have met the minimum educational and experience requirements before being licensed.

BBH serves a public purpose and has demonstrated an ability to conduct its business in a satisfactory manner. The board continues to make changes to regulations to improve the effectiveness of its oversight. Since the last sunset review, BBH has developed a new set of regulations related to tattooists and body piercers.

Under Alaska Statute 08.03.010(c)(4), the Board of Barbers and Hairdressers will be terminated on June 30, 2005. If this termination date is not extended, the board has a one-year period to administratively conclude its affairs. We recommend the Legislature extend the board's termination date to June 30, 2011.

Implementation of our recommendation would require the legislature to exercise some discretion permitted by state law. Alaska Statute 08.03.020(c) provides for the following:

A board scheduled for termination ... may be continued or reestablished by the legislature for a period not to exceed four years unless the board is continued or reestablished for a longer period ... [emphasis added]

Two factors influence our recommendation that the legislature extend the board to June 30, 2011. First, the board has operated effectively and in the public's interest over the past four years. Secondly, this extension would work towards smoothing out the number of boards and commissions that come under sunset in a particular year. Typically, there are four to six boards and/or commissions scheduled for a legislative sunset review; however, in 2005 there are 12 entities scheduled for sunset. Nonstandard extension dates will allow for a more even distribution of organizations going through the sunset process in any given year.

REPORT CONCLUSIONS

In addition to developing our conclusion regarding extending the Board of Social Work Examiners' (BSWE) termination date, we also analyzed the operating costs of the board. Such analysis was done to evaluate possible cost savings that might be generated by consolidation of behavioral health boards along the lines suggested in the 2002 letter of intent. Further discussion of our conclusions follows.

The termination date of the Board of Social Work Examiners should be extended

In our opinion, the termination date for the Board of Social Work Examiners should be extended. The board is operating in an efficient and effective manner and should continue to regulate clinical, master, and baccalaureate social workers. BSWE is serving the public interest by promoting the competence and integrity of those who provide services to the public as licensed social workers.

BSWE has demonstrated a capability of conducting its business in a satisfactory manner. The board continues to propose changes to regulations to improve the effectiveness of the board and ensure that social workers are licensed in the State of Alaska.

Alaska Statute 08.03.010(c)(6) requires BSWE be terminated on June 30, 2005. If not extended by the legislature, under AS 08.03.020, the board will have a one-year period to administratively conclude its affairs. We recommend the legislature extend the board's termination date to June 30, 2010.

Implementation of our recommendation would require the legislature to exercise some discretion permitted by state law. Alaska Statute 08.03.020(c) provides for the following:

A board scheduled for termination... may be continued or reestablished by the legislature for a period not to exceed four years unless the board is continued or reestablished for a longer period... [emphasis added]

Two factors influence our recommendation that the legislature extend the board to June 30, 2010. First, the board has operated effectively and in the public's interest over the past four years. Secondly, this extension would work towards smoothing out the number of boards and commissions that come under sunset in a particular year. Typically, there are four to six boards and/or commissions scheduled for a legislative sunset review; however, in 2005 there are 12 boards scheduled for sunset. Nonstandard extension dates will allow for a more even distribution of organizations going through the sunset process in any given year.

REPORT CONCLUSIONS

In our opinion, the termination date for the Board of Pharmacy should be extended. The board is safeguarding the public interest by ensuring the competence of individuals who hold themselves out to the public as pharmacists, pharmacist interns, and pharmacist technicians through reasonable licensing and regulatory requirements. The board also has a role in the regulation of pharmacies, drug rooms,¹ and wholesale distributors.

The board adopted regulatory changes that have improved the board's oversight process and promoted more effective regulation of licensed pharmacists and pharmacies.

Alaska Statute 08.03.010(c)(15) requires the Board of Pharmacy be terminated on June 30, 2005. Under AS 08.03.020, the board has a one-year period to administratively conclude its affairs. We recommend the Legislature extend the board's termination date to June 30, 2010.

Implementation of our recommendation would require the legislature to exercise some discretion permitted by state law. Alaska Statute 08.03.020(c) provides for the following:

"A board scheduled for termination ... may be continued or reestablished by the legislature for a period not to exceed four years unless the board is continued or reestablished for a longer period..." [emphasis added]

A five-year extension would work towards smoothing out the number of boards and commissions that come under sunset in a particular year. Typically, there are four to six boards and/or commissions scheduled for a legislative sunset review. For 2005, however, there were 12 entities scheduled for sunset. Nonstandard extension dates will allow for a more even distribution of organizations going through the sunset process in any given year.

¹ The term drug room refers to a situation, which requires licensure from the Board of Pharmacy, where an institutional facility that does not maintain a pharmacy but prepares and administers prescription drugs from bulk supplies for patients receiving treatment within the facility.

REPORT CONCLUSIONS

In addition to developing our conclusion regarding extending the termination date for the Board of Professional Counselors (BPC), we also analyzed the operating costs and other factors related to the operations of the board. Various nonfinancial factors were considered in order to assess the advisability of consolidating BPC with other behavioral health boards along the lines suggested in the 2002 letter of intent. Further discussion of our conclusions follows.

BPC should be consolidated with the Board of Marital and Family Therapy

When the legislature first created BPC there was extensive discussion, within referral committees, regarding the placement of professional counselors under the already existing Board of Marital and Family Therapy (BMFT). Eventually, it was decided to create a separate Board of Professional Counselors – in part because of concern the one time “start-up” costs involved in regulation should be borne entirely by counselors rather than part of the costs paid by marital and family therapists. BPC has successfully come through the board's start-up period. Now circumstances are such, primarily because of BMFT-related factors, that we find it advisable to consolidate the two boards. The basis of our position is as follows:

1. Number of BMFT licensees has significantly declined. The number of professionals licensed by BMFT is steadily declining. Currently, there is less than half the number of licensees BMFT had in 1995. In the past three years only six new licenses have been issued for therapists.
2. Some BPC licensees also hold licenses with BMFT. Fourteen professional counselors also hold a license as a marital and family therapist.
3. Scope of practice and educational requirements are similar for therapists and counselors. As defined in state law, the areas of practice for the professionals regulated by both boards are similar. Both professionals are defined as engaging in diagnosis and treatment of mental and emotional disorders that are referenced in the standard diagnostic nomenclature. Both are charged with making diagnoses to treat such disorders whether cognitive, affective, or behavioral.

Educational requirements for licensing as a marital and family therapist or as professional counselor are similar. BMFT licensees are required to have more specialized systemic training for group and family counseling.

REPORT CONCLUSIONS

In addition to developing our conclusion regarding extending the Board of Psychologist and Psychological Associate Examiners (BPPA) termination date, we also analyzed the operating costs of the board. Such analysis was done to evaluate possible cost savings that might be generated by consolidation of behavioral health boards along the lines suggested in the 2002 letter of intent. Further discussion of our conclusions follows.

The Board of Psychologist and Psychological Associate Examiners should be extended

In our opinion, BPPA is operating in an efficient and effective manner and should continue to regulate the psychology profession. We believe the board is safeguarding the public interest by ensuring the competence and integrity of those who hold themselves out to the public as psychologists and psychological associates. BPPA serves a public purpose and has demonstrated an ability to conduct its business in a satisfactory manner.

Alaska Statute 08.03.010(c)(18) requires the Board of Psychologist and Psychological Associate Examiners be terminated on June 30, 2005. If the legislature takes no action, under AS 08.03.020, BPPA will have a one-year period to administratively conclude its affairs. We recommend the legislature extend the board's termination date to June 30, 2010.

Implementation of our recommendation would require the legislature to exercise some discretion permitted by state law. Alaska Statute 08.03.020(c) provides for the following:

A board scheduled for termination... may be continued or reestablished by the legislature for a period not to exceed four years unless the board is continued or reestablished for a longer period... [emphasis added]

Two factors influence our recommendation that the legislature extend the board to June 30, 2010. First, the board has operated effectively and in the public's interest over the past four years. Secondly, this extension would work towards smoothing out the number of boards and commissions that come under sunset in a particular year. Typically, there are four to six boards and/or commissions scheduled for a legislative sunset review; however, in 2005 there are 12 boards scheduled for sunset. Nonstandard extension dates will allow for a more even distribution of organizations going through the sunset process in any given year.

Board consolidation provides minimal savings over current BPPA costs

We analyzed various aspects of consolidating all licensing boards related to behavioral health. From the perspective of efficiency and effectiveness, the most tangible benefit of consolidation for BPPA would be a minor cost savings for each licensee.

November 4, 2004

Members of the Legislative Budget
and Audit Committee:

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

DEPARTMENT OF COMMERCE, COMMUNITY,
AND ECONOMIC DEVELOPMENT
BOARD OF VETERINARY EXAMINERS

October 29, 2004

Audit Control Number

08-20036-05

This audit was conducted as required by AS 44.66.050 and under the authority of AS 24.20.271(1). Alaska Statute 44.66.050(c) lists criteria to be used to assess the demonstrated public need for a given board, commission, agency, or program subject to the sunset review process. Currently, under AS 08.03.010(c)(21), the Board of Veterinary Examiners is scheduled to terminate on June 30, 2005. If the legislature takes no action to extend the termination date, the board would be allowed one year in which to conclude its administrative operations. We recommend that the legislature extend the board's termination date to June 30, 2009.

The sunset review was conducted in accordance with generally accepted government audit standards. Fieldwork procedures utilized in the course of developing this report are set out in the Objectives, Scope, and Methodology section.

Pat Davidson, CPA
Legislative Auditor

FINDINGS AND RECOMMENDATIONS

Recommendation No. 1

The Board of Veterinary Examiners (BVE) should ensure the completeness and timeliness of its required annual reports.

Under AS 08.01.070(10), BVE is required to submit:

"... an annual performance report to the department [Commerce, Community, and Economic Development] stating the board's accomplishments, activities, and needs."

Over the years, the appearance and contents of these reports, required of all professional licensing boards, have become more standardized. While much of the report involves statistics and information maintained and generated by the Division of Occupational Licensing, the board is responsible for significant narrative segments of the each year's report.

Annual reports for FY 01, FY 02, and FY 03 were submitted on time to the department. However, pertinent standard information was not included in several of the reports. Noted omissions included budget reports, investigative reports, continuing education enforcement reports, and perhaps most importantly, BVE's operating goals and objectives for the upcoming year(s). Text stating that these items were to be "added later" was included for the omitted sections, but the reports were never updated.

Such information is critical to monitoring and assessing BVE operations. Setting out specified goals and objectives establishes standards by which the board, the licensees, the general public, and the legislature can better understand and evaluate the operations of the board. Such reports can highlight issues that need to be addressed by the legislature or by the board in regulation.

The FY 04 annual report does include all the essential elements. Accordingly, we recommend BVE take steps to ensure that each annual report is complete and timely, in order to meet the intended purpose of both the general licensing reporting statute and the board's specific reporting statute.

Good day Legislators,

The Board of Veterinary Examiners is pleased that the Legislative Audit Review Committee has concluded that the Veterinary Board serves an important role to the citizens of Alaska. Extension of the Veterinary Board's regulatory oversight of veterinary activities serves the public interest by helping to ensure that properly credentialed, qualified, medical professionals are practicing in Alaska. The Board has a strong interest in maintaining fair and effective licensing and oversight that also assures those who are properly credentialed the ability to work within their chosen field with minimal hurdles, expenses and delays while also ensuring that the public is protected from poor quality or dangerous medicine and fraud by suitable standards of practice.

The current members of the Veterinary Board serve as an effective and efficient group. The Board has taken steps to keep costs down and will continue to do so in the future. Recent costs to the State are the lowest they have been in years. The Board recognizes the importance of competent veterinary medicine to the public health, animal welfare, agriculture and bio-security. Extension of the termination date will allow the board to continue operating in the public interest while exercising appropriate regulatory oversight of veterinary professionals. The Board of Veterinary Examiners recommends extension of the Board's termination date and welcomes the continued opportunity and privilege to serve.

I welcome the opportunity to be of assistance or to answer questions.

Thank you

Dr. Steven M. Torrence, Chair, Alaska Board of Veterinary Examiners

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907 789-7551 office
907 789-9205 home

SENATE COMMITTEE REPORT

DATE: 4/26/05

FURTHER: Finance

DATE TURNED IN TO OFFICE: 5/3/05

Labor and Commerce Committee considered CS FOR HOUSE BILL NO. 123(RLS) am

HB 123 OCCUPATIONAL BDS:EXTENSION/RECEIPTS/PSYCH

"An Act relating to occupational licensing fees, fines, and penalties and to regulatory board fines; extending the termination dates of the Boards of Barbers and Hairdressers, Social Work Examiners, Pharmacy, Professional Counselors, Psychologist and Psychological Associate Examiners, and Veterinary Examiners; relating to psychologist licensing by credentials; relating to an exemption that allows one bill to continue more than one board, commission, or agency program; and providing for an effective date."

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

CS Senate Bill:
 Same Title
 New Title

SCS House Bill:
 Same Title
 Technical Title Change
 New Title w/ SCR # _____



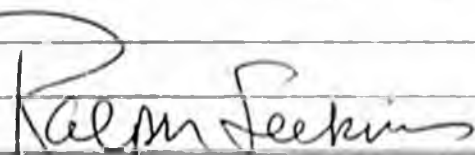
NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
DIED	2/3/05	✓			1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Davis</i> <i>B. Stevens</i>  	<input checked="" type="checkbox"/>			
<i>Sellins</i> CHAIR: 	<input checked="" type="checkbox"/>			