

**HB**

**337**

<TARGET><BILL>HB 337</BILL><SUBJECT>HB  
337</SUBJECT><COMM>SFIN27</COMM></TARGET>

# SENATE FINANCE COMMITTEE REPORT

DATE: 4/2/12

FURTHER:

DATE TURNED  
IN TO OFFICE: \_\_\_\_\_

**Finance Committee** considered HOUSE BILL NO. 337

HB 337-BD OF ARCHITECTS, ENGINEERS, SURVEYORS

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

and recommends:

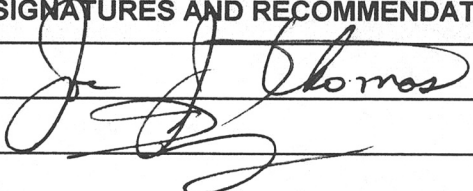



- [ ] be replaced with SCS \_\_\_\_\_ ( \_\_\_\_\_ ) [ ] Same Title [ ] Technical Title Change  
[ ] New Title/SCR No. \_\_\_\_\_
- [ ] adopt previous SCS \_\_\_\_\_ ( \_\_\_\_\_ ) [ ] Same Title [ ] Technical Title Change  
[ ] New Title/SCR No. \_\_\_\_\_
- [ ] attached amendment(s)
- [ ] adopt \_\_\_\_\_ Letter of Intent
- [ ] further referral to \_\_\_\_\_ Committee

Dept Abbr.	
ADM	LEG
CED	LAW
COR	LWF
CRT	MVA
EED	DNR
DEC	DPS
DFG	REV
GOV	DOT
DHS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
CED	✓			1

[ ] APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Thomas	✓			
	Edna	✓			
CO-CHAIR: 		✓			
CO-CHAIR: 		✓			

# FISCAL NOTE

STATE OF ALASKA  
2012 LEGISLATIVE SESSION

Bill Version HB 337  
Fiscal Note Number 1  
(H) Publish Date 3/14/12

Identifier (file name) HB337-DCCED-CBPL-03-09-12 Dept. Affected DCCED  
Title BD of Architects, Engineers, Surveyors Appropriation Corps, Bus and Professional Licensing  
Allocation Corps, Bus and Professional Licensing  
Sponsor Representative Thompson  
Requester Labor & Commerce OMB Component Number 2360

**Expenditures/Revenues** (Thousands of Dollars)

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
<b>OPERATING EXPENDITURES</b>	<b>FY13</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>
Personal Services	90.2		90.2	90.2	90.2	90.2	90.2
Travel	2.0		2.0	2.0	2.0	2.0	2.0
Services	16.7		16.7	16.7	16.7	16.7	16.7
Commodities	6.0		1.0	1.0	1.0	1.0	1.0
Capital Outlay							
Grants, Benefits							
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>114.9</b>	<b>0.0</b>	<b>109.9</b>	<b>109.9</b>	<b>109.9</b>	<b>109.9</b>	<b>109.9</b>

FUND SOURCE		(Thousands of Dollars)					
1002	Federal Receipts						
1003	GF Match						
1004	GF						
1005	GF/Prgm (DGF)						
1037	GF/MH (UGF)						
1156	Rcpt Svcs (DGF)	114.9	109.9	109.9	109.9	109.9	109.9
<b>TOTAL</b>		<b>114.9</b>	<b>0.0</b>	<b>109.9</b>	<b>109.9</b>	<b>109.9</b>	<b>109.9</b>

POSITIONS							
Full-time	1		1	1	1	1	1
Part-time							
Temporary							

CHANGE IN REVENUES							
				109.9	109.9	109.9	109.9

Estimated SUPPLEMENTAL (FY12) operating costs \_\_\_\_\_ (separate supplemental appropriation required)  
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs \_\_\_\_\_ (separate capital appropriation required)  
(discuss reasons and fund source(s) in analysis section)

**Why this fiscal note differs from previous version (if initial version, please note as such)**

Initial version

Prepared by Don Habeger, Director  
Division Corporations, Business and Professional Licensing  
Approved by JoEllen Hanrahan, Director Administrative Services  
Commerce, Community and Economic Development

Phone 465-2536  
Date/Time 3/9/12 5:15 PM  
Date 3/10/2012

FISCAL NOTE #1

STATE OF ALASKA  
2012 LEGISLATIVE SESSION

BILL NO. HB 337

**Analysis**

HB 337 increases the number of employees supporting the Board of Architects, Engineers and Land Surveyors (AELS) in their investigative activities. It places into statute the requirement of a dedicated Investigator in addition to the Executive Secretary position which already exists.

Personal Service consists of one full-time Investigator III position, Range 18 to conduct investigations into alleged violations and be directly responsible and accountable to the board.

Travel estimate is based on average travel costs for investigators.

Services include on-going staff support and legal costs.

Commodities include one-time set up costs of furniture, computer, telephone, and ongoing supplies.

AELS renewals will occur in December 2013, at which time the next fee increase would be likely to take place and impact a change in revenues.

The program is required to cover costs with licensing fees under AS 08.01.065, and revenue generated by board fees are anticipated to cover its full operating costs.

# ALASKA STATE LEGISLATURE

**Session:**

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Juneau, Alaska 99801-2186  
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## REPRESENTATIVE STEVE THOMPSON DISTRICT 10

### House Bill 337 Sponsor Statement

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

HB 337 revises the statutes governing architects, engineers, and land surveyors in the State of Alaska, designating an investigator to serve specifically for the Board of Registration for Architects, Engineers, and Land Surveyors (AELS).

At the present time, one investigator serves part-time on the AELS Board while serving on six other Boards. The oversight for this one individual includes approximately 20,000 licensees. Recently, the AELS Board voted to expand the number of branches of licensure for engineers from the existing 6 branches to 15. This expansion will ensure inclusion of professions not currently regulated by the Board. The reason for the branch increase is to ensure the safety of Alaskans who work in these engineering professions (i.e. structural, environmental, nuclear, and industrial). As a result, the increase in branches could increase considerably the number of licensees that this one investigator would serve.

While the workload of the investigator increases, so must his knowledge of the applicable statutes and regulations for the various boards. Hiring a full-time investigator would help to ensure efficiency and effectiveness of the AELS Board; thereby protecting the State of Alaska from risk hazards in public health, safety, and welfare. HB 337 opens an avenue for the AELS Board to maintain proper oversight of the licensees and to ensure compliance with State Statutes and Regulations.

E-mail [Representative\\_Steve\\_Thompson@legis.state.ak.us](mailto:Representative_Steve_Thompson@legis.state.ak.us)

# ALASKA STATE LEGISLATURE

**Session:**  
State Capitol Building,  
Room 428  
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Phone (907) 465-3004  
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1292 Sadler Way  
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## REPRESENTATIVE STEVE THOMPSON DISTRICT 10

### MEMORANDUM

To: House Finance Committee Members

From: Representative Steve Thompson

Date: March 22, 2012

Re: Questions Asked in House Finance Committee Hearing on 3/21/2012 on HB 337, Board of Architects, Engineers, & Land Surveyors

#### Questions/Answers from House Finance Committee regarding HB 337:

#1. Can you provide more information about the Landscape Architect seat?

**Answer:** The composition of Board of Architects, Engineers and Land Surveyors' Alaska Statute 08.48; ten voting members (plus one non-voting member) are appointed by the Governor. The members serve a four-year term, and keep the position until their term ends or until his/her successor has been appointed. The board consists of 10 members appointed by the governor having the qualifications as set out in AS 08.48.031. The board consists of two civil engineers, two land surveyors, one mining engineer, one electrical or mechanical engineer, one engineer from another branch of the profession of engineering, two architects, and one public member. An 11<sup>th</sup> member of the board is held by a non-voting member, a Landscape Architect.

#2. Why are we adding these additional branches to the Board?

**Answer:** The Board had lengthy discussions about the fact that the engineer specialty branches (such as structural, environmental, nuclear, and industrial) were subsumed under the civil engineering umbrella. Alaska is one of the few states that does not delineate branches for the specialized engineering disciplines. The Board decided that now was the best time to address this issue and regulate these industries to ensure the health, welfare, and safety of Alaskans.

#3. Will adding these branches change how the Board is made-up?

There is a possibility that sometime in the future the existing Board seats may be revamped to reflect representation of the additional branches added to the AELS Board's purview.

#4. Approximately how many cases does the investigator have?

**Answer:** From January 1, 2009 to January 27, 2012 the part-time investigator had 185 cases (not counting the cases from the other five boards he was overseeing).

#5. What percentage of the investigations were actionable?

**Answer:** There were a total of 185 cases. The actionable items are listed in the table below.

<i>Since 01/01/2009</i>	
<i>Count of Case #</i>	<i>185</i>
<b><i>Status</i></b>	<b><i>#</i></b>
<i>Complaint</i>	<i>5</i>
<i>Intake</i>	<i>3</i>
<i>Open</i>	<i>12</i>
<i>Closed-Complaint</i>	<i>21</i>
<i>Closed-Investigation</i>	<i>141</i>
<i>Closed-Intake</i>	<i>3</i>
<b><i>Total</i></b>	<b><i>185</i></b>
<b><i>Profession</i></b>	<b><i>#</i></b>
<i>ARCHITECT</i>	<i>22</i>
<i>CORPORATE AUTHORIZATION</i>	<i>31</i>
<i>ENGINEER</i>	<i>110</i>
<i>LAND SURVEYOR</i>	<i>20</i>
<i>LANDSCAPE ARCHITECT</i>	<i>2</i>
<b><i>Total</i></b>	<b><i>185</i></b>
<b><i>Violation</i></b>	<b><i>#</i></b>
<i>Action in another state</i>	<i>4</i>
<i>Contested license denial</i>	<i>1</i>
<i>Continuing education</i>	<i>3</i>
<i>Falsified application</i>	<i>6</i>
<i>Fraud or misrepresentation</i>	<i>1</i>
<i>Incompetence</i>	<i>1</i>
<i>License application problem</i>	<i>42</i>
<i>Negligence</i>	<i>8</i>
<i>Practice beyond scope</i>	<i>5</i>
<i>Unlicensed practice or activity</i>	<i>70</i>

E-Mail: [Representative.Steve.Thompson@legis.state.ak.us](mailto:Representative.Steve.Thompson@legis.state.ak.us)

<i>Violating professional ethics</i>	4
<i>Violation of licensing regulation</i>	40
<b>Total</b>	<b>185</b>

<b>Closure</b>	<b>#</b>
<i>Administrative Fine Paid</i>	1
<i>Advisement Letter</i>	56
<i>Closed as Complaint</i>	6
<i>Compliance</i>	32
<i>Declined by AG</i>	1
<i>License Action</i>	13
<i>No Action - No Violation</i>	49
<i>Other (See Abstract)</i>	7
<b>Total</b>	<b>165</b>

**#6.** Why does the fiscal note reflect the \$ amount for an addition of one full-time investigator rather than a change from a part-time position to full-time position?

**Answer:** Please see Leg Finance Analysis (HB 337 CBPL Fiscal Note Stoplight 3 22 12) attached as a separate document.

**STATE OF ALASKA  
BOARD OF REGISTRATION FOR  
ARCHITECTS, ENGINEERS, AND LAND SURVEYORS (AELS)  
POSITION PAPER**

Relative to Proposed Amendments to AS 08.48.055

*(House Bill 337 and Senate Bill 143)*

*Revised February 29, 2012*

**DISCUSSION**

Chapter 48 outlines the statutes and regulations governing architects, engineers, and land surveyors in the State of Alaska. Section 08.48.011 created the State Board of Registration for Architects, Engineers, and Land Surveyors (AELS) to administer the provisions of Chapter 48 for the furtherance of and enforcement of the requirements of statutes and regulations.

The AELS Board is under increasing demands relative to enforcement of statutes and regulations. This situation is a result of the following conditions:

- In the recent past the AELS Board was assigned two full time investigators and one half time investigator.
- Presently the AELS Board shares one investigator with six additional boards.
- As a result of negative economic conditions in various parts of the USA a significant number of corporations and individuals are relocating to Alaska and are practicing without proper licensing.
- There is increasing pressure on the AELS part time investigator to spend time on the other six boards of which the investigator is assigned.
- With an investigator required to maintain knowledge of the various statutes and regulations of dissimilar boards the effectiveness and efficiency is reduced.

**RESULTS**

The current investigator has displayed an exceptional effort in reducing backlog and processing complaints and potential violations of statutes and regulations however this is accomplished with expedience having precedence over thorough investigations. In some cases the significant magnitude and/or clear evidence of violation issues are elevated in the investigation process while seemingly less important are passed over. In addition in the pursuit of expedience a violation may be negotiated and an advisory letter may be issued when a more serious disciplinary action is warranted. These facts create an atmosphere in our industry where registrants feel that there is a lack of resolve relative to enforcement, resulting in the increase of violations.

Currently the AELS Board's investigator processes over 1000 issues (investigations, complaints, intakes, phone contacts, e-mail contacts, and walk-ins) annually. Information provided at Investigative Forums conducted by the National Council of Examiners for Engineers and Surveyors reveals that investigators in most jurisdictions process 15 to 25 cases annually as a general rule. This is evidence that effective enforcement and prosecution reduces the number of violations and improves the health, safety, and welfare of the public. In addition, the lack of thorough investigations could lead to the

inappropriate prosecution of a registrant, excessive legal cost to the registrant, and legal cost and liability for the State of Alaska.

Currently the AELS Board Investigator regularly covers the geographical areas of the Mat-Su Valley, Anchorage, and the Kenai Peninsula and the remaining areas of the state are subject to minimum investigative coverage. This issue is mitigated somewhat by the close relationship and coordination between the state fire marshals office and various building departments in the state. These authorities having jurisdiction, report potential violations to the investigator; however, this is somewhat of a happenstance method.

These conditions outlined above are in no way a reflection on the performance of the AELS Board investigator; however, they are an indicator of the severe lack of manpower to accomplish the mission. These conditions further indicate that the risk to the public is self-evident and that the liability to the state and this AELS Board is significant.

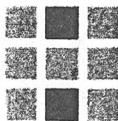
#### **CONCLUSION**

Statutes and Regulations governing the AELS Board specifically Sec. 08.48.11 charges the board to "administer the provisions of Chapter 48." The lack of a full time investigator for the AELS Board reduces the effectiveness of the board in the execution of its charges.

#### **RECOMMENDATION**

Passage of AS 08.48.055 as amended will significantly improve the ability of the AELS Board to perform as charged! Approval of this statute is recommended.

Harley H. Hightower, FAIA  
Chair AELS Board



Harley H. Hightower • Architect

February 24, 2012

Office of Representative Steve Thompson  
State Capitol Room 428  
Juneau, Alaska 99801

Re: House Bill 337

Dear Representative Thompson:

This letter is in support of House Bill 337 relative to amendments to AS 08.48.055 for a full time investigator for the State of Alaska, Board of Registration for Architects, Engineers, and Land Surveyors (AELS Board).

The amendments are requested to improve the performance of the Boards ability to investigate violations and enforce statutes and regulations related to the public health, safety, and welfare in the State of Alaska.

The AELS Board is assigned one investigator that is presently assigned to six additional boards. In the past the AELS Board was assigned two full time investigators and one half time investigator. While the number of investigators was reduced the work load has increased. A large number of firms and individuals not familiar with our statutes and regulations and involved in the design professions have been relocating to Alaska, in conjunction with increasing pressure on the present part time inspector spending more effort on the other six boards makes investigation and enforcement difficult.

Consideration and support of House Bill 337 is appreciated.

Sincerely,

Harley H. Hightower, FAIA  
Architect

7441 Trenton Lane  
Anchorage, Alaska 99502  
Telephone 907.644.0798  
Facsimile 907.644.0799  
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**Dave Hale, PLS**  
9101 Vanguard Drive  
Anchorage, AK 99507  
907.646.9651 Direct  
907.306.8075 Cell

February 24, 2012

Senator Steve Thompson  
Juneau, AK

**RE: Support for HB 337 – Investigator for the Board of Registration for Architects, Engineers, and Land Surveyors.**

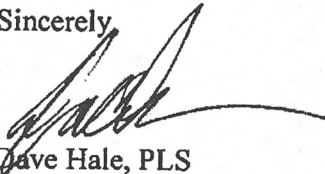
Dear Senator Thompson,

I am a licensed Professional Land Surveyor practicing in Alaska, and serve as the president of the Alaska Society of Professional Land Surveyors. I am not writing in my capacity as president of our society because we have not had time to discuss this issue as a group, and I have not been directed by our members to write in support of HB 337. However, I do feel that it is my duty to write as an individual working in the Land Surveying Profession to support this bill.

I have seen the number of cases that come before the AELS Board, and that require investigation, as I am sure you have. With the expansion of branches for licensure for engineers, we will have an even more pressing need for an investigator that is assigned solely to the AELS Board, and not one that is shared among several boards. The task of the board is to protect the public, and if our board is to accomplish that task, they need a full time investigator dedicated to the public safety as it pertains to the work of professional architects, engineers, and land surveyors.

Thank you very much for the opportunity to share my support of HB 337, and I look forward to the passage of this bill so that our AELS Board can continue to protect the health, safety, and welfare of the public.

Sincerely,



Dave Hale, PLS

cc: none

Attachments: none

*Burdett B. Lent, PLA  
374 W. Sarahs Way  
Wasilla, AK 99654  
voice 907-376-6298  
fax 907-376-6281  
e-mail g3d@gci.net*

March 1, 2012

**Representative Steve Thompson**  
Juneau, AK

TRANSMITTED VIA EMAIL

**RE: Support of HB 337 - Investigator – the Board of Registration for Architects, Engineers and Land Surveyors**

Dear Representative Thompson,

I am a licensed Professional Landscape Architect in the State of Alaska and I am on the Board of Registration for Architects, Engineers and Land Surveyors. I am in full support of the above Statute change. In order to adequately protect public health, safety and welfare adding this position is a necessity. The present investigator is shared with so many other boards he is incapable of being proactive about enforcing existing Board statutes and regulations. Please change this shortcoming before someone is harmed.

A similar E-mail Letter was sent regarding SB 143 to Senator Cathy Geissel on February 4, 2012.

Thank you for your attention to this urgent legislation.

Sincerely,

Burdett B. Lent, PLA

1 March 2012

Cliff Baker, PS  
303 E 16<sup>th</sup> Ave., #306  
Anchorage, AK 99501

Office of Representative Steve Thompson  
State Capitol Room 428  
Juneau, Alaska 99801

Re: House Bill 337

Dear Representative Thompson:

This letter is in support of House Bill 337 relative to the amendments to AS 08.48.055 for a full time investigator for the State of Alaska, Board of Registration for Architects, Engineers and Land Surveyors (AELS Board).

The amendments are requested to improve the performance of the Board's ability to investigate violations and enforce statutes and regulations related to the public health, safety and welfare in the State of Alaska.

The AELS Board has one of the largest registrant bases in Alaska and several years ago 2-1/2 investigators were assigned to the Board. Presently the AELS Board shares one investigator with six other boards. During this reduction in the number of investigators the work load has increased. With the recession in the states of the lower 48, a large number of firms and individuals not familiar with our statutes and regulations have relocated to Alaska and are practicing the design professions. This puts increased pressure on the present part time investigator. In addition to this already increased pressure the AELS Board has just approved a regulation, recently signed by the Lt. Governor, adding nine additional engineering disciplines. It is not possible for one investigator shared with six other boards, to adequately support the AELS Board's charge to enforce the statutes and regulations protecting the public health, safety and welfare.

Consideration and support of House Bill 337 is appreciated.

Sincerely,

Cliff Baker, PS

Cc: Jonathon\_taylor@legis\_state\_alaska.us

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374 W. Sarahs Way  
Wasilla, AK 99654  
voice 907-376-6298  
fax 907-376-6281  
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March 1, 2012

**Representative Steve Thompson**  
Juneau, AK

TRANSMITTED VIA EMAIL

**RE: Support of HB 337 - Investigator – the Board of Registration for Architects, Engineers and Land Surveyors**

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Consideration and support of House Bill 337 is appreciated.

Sincerely,

Cliff Baker, PS

Cc: Jonathon\_taylor@legis\_state\_alaska.us



March 1, 2012

Office of Representative Steve Thompson  
State Capitol Room 428  
Juneau, Alaska 99801

Re: House Bill 337

Dear Representative Thompson:

I am writing in support of House Bill 337 regarding amendments to AS08.48.055 for a designated full time investigator position assigned to the State of Alaska, Board of Registration for Architects, Engineers, and Land Surveyors (AELS Board).

The Board currently does not have enough investigative resources to properly execute its responsibilities of the statutes and regulations governing public health, safety, and welfare within the state of Alaska.

There is currently one investigator assigned to serve the AELS Board, along with six other boards. It is impossible for one investigator to provide coverage throughout the state for seven boards. Alaska is poised to see an influx of new firms and individuals working in the state as a result of proposed oil development in the arctic, as well as other new development opportunities throughout Alaska. This increase in activity, coupled with the expanded branches of engineering, makes it unreasonable to expect that an investigator splitting his time between seven boards will be able to provide the focused investigative effort required by the AELS Board. This will result in violators slipping through the cracks and potentially putting Alaska residents in harm's way.

I request your positive consideration in support of House Bill 337.

Sincerely,

Richard R. Rearick, AIA  
Architect

RRR:rrr