

SB

16

<TARGET><BILL>SB 16</BILL><SUBJECT>SB
16</SUBJECT><COMM>HFIN28</COMM></TARGET>

Fiscal Note

State of Alaska
2013 Legislative Session

Bill Version: SB 16
Fiscal Note Number: 2
(S) Publish Date: 3/6/13

Identifier: SB016-DCCED-CBPL-03-06-13
Title: BD OF ARCHITECTS, ENGINEERS,
SURVEYORS
Sponsor: GIESSEL BY REQUEST
Requester: Senate Finance

Department: Department of Commerce, Community and
Economic Development
Appropriation: Corporations, Business and Professional
Licensing
Allocation: Corporations, Business and Professional
Licensing
OMB Component Number: 2360

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2014	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2014 Request	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
OPERATING EXPENDITURES	FY 2014	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Personal Services	90.9		90.9	90.9	90.9	90.9	90.9
Travel	2.3		2.3	2.3	2.3	2.3	2.3
Services	15.5		15.5	15.5	15.5	15.5	15.5
Commodities	6.8		1.8	1.8	1.8	1.8	1.8
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	115.5	0.0	110.5	110.5	110.5	110.5	110.5

Fund Source (Operating Only)

1156 Rcpt Svcs	115.5		110.5	110.5	110.5	110.5	110.5
Total	115.5	0.0	110.5	110.5	110.5	110.5	110.5

Positions

Full-time	1.0		1.0	1.0	1.0	1.0	1.0
Part-time							
Temporary							

Change in Revenues	115.5		110.5	110.5	110.5	110.5	110.5
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Estimated SUPPLEMENTAL (FY2013) cost: 0.0

Estimated CAPITAL (FY2014) cost: 0.0

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

This version updates the Change in Revenues to reflect the amount collected in licensing fees.

Prepared By:	Don Habeger, Director	Phone:	(907)465-2538
Division	Corporations, Business and Professional Licensing	Date:	03/06/2013 07:15 AM
Approved By:	JoEllen Hanrahan, Director	Date:	03/06/13
	Administrative Service Division		

FISCAL NOTE ANALYSIS #2

STATE OF ALASKA
2013 LEGISLATIVE SESSION

BILL NO. SB 16

Analysis

SB16 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.

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

Travel costs are based on average travel costs for investigators to conduct onsite investigations.

Services costs include 10.0 for core services RSA's and an additional 5.5 is included for legal, and hearing/mediation costs.

Supply costs include 5.0 for one time start up costs for a computer, office furniture, and other one-time needs and 1.8 for ongoing office supply needs.

As the program is required to cover costs with licensing fees under 08.01.065, the increased costs will be paid for by an increase in fees.

ALASKA STATE LEGISLATURE

Senate District N
*Anchorage Hillside, Indian, Bird,
Girdwood, Hope, Cooper Landing,
Sterling, Nikiski, Moose Pass, Bear
Creek, Seward*



State Capitol, Room 427
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Senator Cathy Giessel

**Senate Bill 16 – BD of Architects, Engineers, Surveyors
By Request of the AELS Board**

Sponsor Statement

SB 16 revises statutes governing architects, engineers, and land surveyors in Alaska, designating a full-time investigator specifically for the State Board of Registration for Architects, Engineers, and Land Surveyors (AELS).

The AELS Board's mission, as defined in statute, is to protect public health, safety and welfare by ensuring that those entering the practices of architecture, engineering, and land surveying meet minimum standards of competency, and maintain those standards during their practice, by requiring licensure to practice in the state. The Board enforces the licensure and competency requirements and responds to complaints brought by the public.

Currently, the AELS Board shares one part-time investigator with six other boards that oversee a total of 18,095 licensees, of which 6,439 licensees are under the AELS Board.

According to the board, because of the negative economic conditions in various parts of the United States, a significant number of corporations and individuals are relocating to Alaska and many are practicing without proper licensure or knowledge of applicable statutes and regulations. In 2012 alone, the AELS Board added 490 new licensees to its oversight.

In addition to the already growing workload for the part-time AELS Board investigator, pressure on the investigator to spend time on the other six boards to which he is also assigned is increasing. The efficiency and effectiveness of the State's licensing investigation process is further reduced by only having a single shared investigator who must maintain knowledge of the various statutes and regulations of seven different boards.

SB 16 also removes the constraint that examinations for licensure be written. With advancements in technology, examinations are moving to an electronic format which will further increase efficiency.

SB 16 will better equip the AELS Board to maintain proper oversight of its licensees, thereby uphold the reputation and integrity of the disciplines within its purview, and ultimately ensure its ability to protect public health, safety, and welfare. I urge your support of SB 16.

Sen.Cathy.Giessel@akleg.gov

ALASKA STATE LEGISLATURE

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Senator Cathy Giessel

Senate Bill 16 - BD of Architects, Engineers, Surveyors

Sectional Analysis

Section 1: Amends AS 08.48.055(a), by providing that “two persons” shall be employed by the Department of Commerce, Community, and Economic Development, in consultation with the Board of Registration for Architects, Engineers, and Land Surveyors. One employee currently serves as the executive secretary; the additional employee will serve as an investigator for the board.

Section 2: Amends AS 08.48.055 by adding a new subsection, AS 08.48.055(c), delineating the investigator’s duties. The investigator is required to investigate alleged violations of this chapter, regulations, and orders of the board. The board may request the investigator to investigate complaints filed with either the board or the department. The investigator shall be supervised by the department, but is accountable to the board. The authority to terminate the investigator’s employment resides only with the department.

Section 3: Amends AS 08.48.091 by replacing the term “Written Examinations” with “Examinations.”



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

Department of Commerce,
Community,
and Economic Development

DIVISION OF CORPORATIONS, BUSINESS AND
PROFESSIONAL LICENSING

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February 11, 2013

The Honorable Mike Dunleavy, Chair
Senate Labor and Commerce Committee
State Senate
Alaska State Capitol
Juneau, Alaska 99801-1182

Subject: Committee Follow-up

Dear Senator Dunleavy:

Please see the Division of Corporations, Business and Professional Licensing (Division) response to the Committee's questions during the February 7, 2013 (s)Labor and Commerce Committee hearing on SB16 BD of Architects, Engineers, Surveyors.

1. Are there issues with electronic testing in areas that do not have adequate internet access?

The Division is not aware of any issues regarding inadequate internet access. Examinations required for licensure are owned and administered through national organizations for the professional architects, engineers and land surveyors. The Alaska Board of Architects, Engineers, and Land Surveyors (AELS) have adopted the use of these national tests through their memberships with these professional practice entities. These national associations have set standards for security and test integrity which require that these professional tests be taken at designated centers. Currently, there are two testing locations in Alaska - Anchorage and Fairbanks.

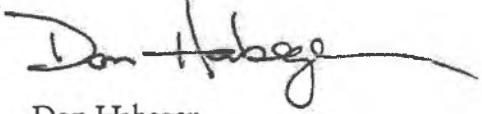
2. How many fines/penalties are issued per year, compared to how many cases were filed?

In FY12 the Division's Investigations Unit handled 96 AELS matters. Matters include a verity of investigative processes such as intakes, complaints and investigations. A matter may include a relatively simple investigative process and may take a few days to complete, or may become a complex investigation and takes several years to conclude. The 96 matters in FY12 led to eleven open investigations into potential violations of licensing statute and regulation. Four of the investigations were closed and one investigation led to a \$1,500 fine.

Senator Dunleavy
February 11, 2013
Page 2

Thank you again for the opportunity to provide information to the committee. We look forward to working with you more in the future.

Sincerely,

A handwritten signature in black ink that reads "Don Habeger". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Don Habeger
Director



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

Department of Commerce, Community,
and Economic Development

DIVISION OF CORPORATIONS, BUSINESS AND
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March 7, 2013

Senator Pete Kelly Co-Chair
Senator Kevin Meyer, Co-Chair
Senate Finance Committee
Alaska State Senate
Juneau, AK 99801-1182

Dear Senators Kelly and Meyer:

Please see the Division of Corporations, Business and Professional Licensing's response to the Committee's question during the March 6, 2013 Finance Committee hearing on Senate Bill 16 - BD of Architects, Engineers, Surveyors.

1. What is the breakdown of investigations for the AELS Board by type?

Below are the investigations by type for calendar years 2011, 2012, and part of January 2013 for the Board of Architects, Engineers, and Land Surveyors.

Criminal action – conviction	1
Falsified applications	5
Fraud or misrepresentation	1
Incompetence	1
License application issues	93
Negligence	2
Practice beyond scope	6
Unlicensed practice or activity	37
Unprofessional conduct	1
Violation of licensing regulation	19
<u>Violating professional ethics</u>	<u>2</u>
Total	168

Sincerely,

A handwritten signature in black ink that reads "Don Habeger".

Don Habeger
Director

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

Relative to Proposed Amendments to AS 08.48.055 Executive secretary of the board
(Senate Bill 16)

January 18, 2013

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 and enforcement of statutes and regulations.

The AELS Board is under increasing demands relative to investigations and 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 US 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 issues raised by the other six boards to which the investigator is assigned.
- With an investigator required to maintain knowledge of the various statutes and regulations of dissimilar boards, 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 magnitude and/or clear evidence of violation issues are elevated in the investigation process while seemingly less important violations 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 investigator processes approximately 500 issues 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. Conversely, the lack of thorough investigation 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 who have jurisdiction report potential violations to the investigator. However, this is somewhat of a happenstance method.

These conditions outlined above in no way reflect on the performance of the AELS Board investigator. However, they do highlight the lack of manpower the board has to accomplish its mission. These conditions further indicate that the risk to the public is self evident and the liability to the state and this AELS Board is significant.

CONCLUSION

Statutes and Regulations governing the AELS Board, specifically Sec. 08.48.11, charge 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 its duties as directed by law. Passage of SB 16 is recommended.

Harley H. Hightower, FAIA
AELS Board Member

AIA Alaska

A Chapter of the American Institute of Architects



February 4, 2013

Senator Cathy Giessel
Senate District N
Alaska State Capitol, Room 427
Juneau, Alaska 99801

Re: Senate Bill 16

Dear Senator Giessel:

The Alaska Chapter of the American Institute of Architects (AIA Alaska) would like to support **Senate Bill 16**, which will amend AS.08.48.055, by establishing a full time Investigator position for the State of Alaska Board of Registration for Architects, Engineers, and Land Surveyors, and will amend AS.08.48.091, to allow electronic examinations instead of the present wording which requires only written examinations.

A full-time Investigator is needed to keep up with the current very heavy case load of violations of the Alaska Statute covering professional services in the State of Alaska. The one existing investigator has to serve seven boards, whereas in the past, 2-1/2 investigators were required to investigate reported violations.

Professional license examinations are set by national organizations, and are electronically administered by a testing agency, and electronically executed by applicants. The rewording of the statute to allow electronic examinations brings the language of the Alaska Statute up to date with current practice.

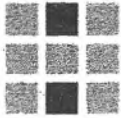
We support the passage of **Senate Bill 16**, in the interest of improving professional design services and safer building environments for the people of Alaska.

Yours sincerely,

A handwritten signature in cursive script that reads "Ramona Schimscheimer".

Ramona Schimscheimer AIA

President, AIA Alaska



Harley H. Hightower ■ Architect

January 22, 2013

Senator Cathy Giessel
Senate District N
Alaska State Capitol, Room 427
Juneau, Alaska 99801

Re: Senate Bill 16

Dear Senator Giessel:

This letter is in support of Senate Bill 16 relative to amendments to **AS 08.48.055 Executive secretary of the board** for a full time investigator for the State of Alaska, Board of Registration for Architects, Engineers, and Land Surveyors (AELS Board) and **AS 08.48.091 Written examination and examination fees**.

The amendments relative to AS 08.48.055 are requested to improve the performance of the AELS 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 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 numbers of firms and individuals not familiar with the Alaska statutes and regulations have been providing services on Alaska projects. The additional registrants in conjunction with the increasing pressure on the part time investigators efforts on the other six additional boards, makes investigation and enforcement difficult.

The recommended amendments relative to AS 08.48.091 are required to provide for the present method and format of examinations. The examinations are presently conducted in electronic format and not written format.

Refer to position papers attached for additional information.

Your consideration and support of Senate Bill 16 is appreciated.

Sincerely,

Harley H. Hightower, FAIA
Architect

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January 19, 2013

Senator Cathy Giessel
Juneau, AK

TRANSMITTED VIA EMAIL

RE: Support of SB 16 Investigator & remove "Written" in Exam Reference
Board of Registration for Architects, Engineers and Land Surveyors

Dear Senator Giessel,

I am a licensed Professional Land Surveyor 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 changes. 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.

Additionally, all exams for licensure are expected to be computer based by 2016 and a reference to "written" in Statute is confusing and inaccurate.

Thank you,



Richard C. Heieren, PLS

*Burdett B. Lent, PLA
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January 4, 2013

Senator Cathy Giessel
Juneau, AK

TRANSMITTED VIA USMAIL

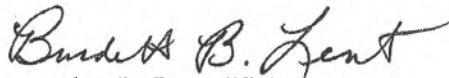
RE: Support of SB 16 Investigator – the Board of Registration for Architects, Engineers and Land Surveyors

Dear Senator Giessel,

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 AELS Board statutes and regulations. Please change this shortcoming before someone is harmed.

And please accept my sincere thank you for your support and attention to this urgent legislation a second time.

Thank you,


Burdett B. Lent, PLA