

**SB**

**16**

<TARGET><BILL>SB 16</BILL><SUBJECT>SB  
16</SUBJECT><COMM>SFIN28</COMM></TARGET>

# SENATE FINANCE COMMITTEE REPORT

DATE: 2/20/13

FURTHER:

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

**Finance Committee** considered SENATE BILL NO. 16

SB 16 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 CS \_\_\_\_\_ (\_\_\_\_\_)  Same Title  New Title
- adopt previous CS \_\_\_\_\_ (\_\_\_\_\_)  Same Title  New Title
- attached amendment(s)
- adopt \_\_\_\_\_ Letter of Intent
- further referral to \_\_\_\_\_ Committee

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

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

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

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	Do PASS	Do NOT PASS	NO REC	AMEND
	Hoffman	✓			
	Dunleavy	✓			
Anna Fairclough	FAIRCLOUGH	✓			
	BISHOP	✓			
	O'SULLIVAN			✓	
CO-CHAIR:	Kelly	✓			

# Fiscal Note

State of Alaska  
2013 Legislative Session

Bill Version: SB 16  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

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
<b>OPERATING EXPENDITURES</b>	<b>FY 2014</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
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							
<b>Total Operating</b>	<b>115.5</b>	<b>0.0</b>	<b>110.5</b>	<b>110.5</b>	<b>110.5</b>	<b>110.5</b>	<b>110.5</b>

## Fund Source (Operating Only)

1156 Rcpt Svcs	115.5		110.5	110.5	110.5	110.5	110.5
<b>Total</b>	<b>115.5</b>	<b>0.0</b>	<b>110.5</b>	<b>110.5</b>	<b>110.5</b>	<b>110.5</b>	<b>110.5</b>

## Positions

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

<b>Change in Revenues</b>	<b>115.5</b>		<b>110.5</b>	<b>110.5</b>	<b>110.5</b>	<b>110.5</b>	<b>110.5</b>
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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:	<u>Don Habeger, Director</u>	Phone:	<u>(907)465-2538</u>
Division	<u>Corporations, Business and Professional Licensing</u>	Date:	<u>03/06/2013 07:15 AM</u>
Approved By:	<u>JoEllen Hanrahan, Director</u>	Date:	<u>03/06/13</u>
	<u>Administrative Service Division</u>		

FISCAL NOTE ANALYSIS

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.

**SENATE BILL NO. 16**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - FIRST SESSION

**BY SENATORS GIESSEL BY REQUEST, French**

**Introduced: 1/16/13**

**Referred: Labor and Commerce, Finance**

**A BILL**

**FOR AN ACT ENTITLED**

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

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 \* **Section 1.** AS 08.48.055(a) is amended to read:

6 (a) The department, in consultation with the board, shall employ two persons  
7 [AN INDIVIDUAL] who are [IS] not members [A MEMBER] of the board. One  
8 shall [TO] serve as the executive secretary of the board. The other shall serve as  
9 investigator for the board. The executive secretary is the principal executive officer  
10 of the board and is in the partially exempt service under AS 39.25.120.

11 \* **Sec. 2.** AS 08.48.055 is amended by adding a new subsection to read:

12 (c) The investigator employed under (a) of this section  
13 (1) shall conduct investigations into alleged violations of this chapter  
14 and into alleged violations of regulations and orders of the board;

1 (2) shall, at the request of the board, conduct investigations based on  
2 complaints filed with the department or with the board; and

3 (3) is directly responsible and accountable to the board, except that  
4 only the department has authority to terminate the investigator's employment, and the  
5 department shall provide day-to-day and administrative supervision of the  
6 investigator.

7 \* **Sec. 3.** AS 08.48.091 is amended to read:

8 **Sec. 08.48.091. Examinations [WRITTEN EXAMINATIONS].**  
9 **Examinations [WRITTEN EXAMINATIONS]** shall be held at least once each year at  
10 places determined by the board. A candidate failing an examination may apply for  
11 reexamination in accordance with regulations adopted by the board.

SENATE BILL NO. 16

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - FIRST SESSION

BY SENATORS GIESSEL BY REQUEST, French

Introduced: 1/16/13

Referred: Labor and Commerce, Finance

A BILL

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# 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  
Juneau AK 99801-1182  
907-465-4843  
Fax: 907-465-3871  
800-892-4843

## 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

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



State Capitol, Room 427  
Juneau AK 99801-1182  
907-465-4843  
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800-892-4843

## 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.”

**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,

Ramona Schimscheimer AIA

President, AIA Alaska

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

January 4, 2013

**Senator Cathy Giessel**  
Juneau, AK

TRANSMITTED VIA USMAIL

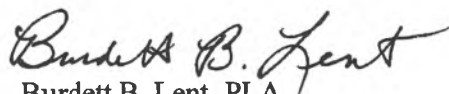
**RE: Support of SB 16 Investigator – the Board of Registration for Architects, Engineers and Land Surveyors**

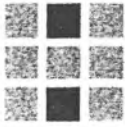
Dear Senator Giessel,

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



**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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Anchorage, Alaska 99502  
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Facsimile 907.644.0799  
Mobile 907.240.4551  
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*Richard C. Heieren, PLS  
326 Driveway Street, Suite 102  
Fairbanks, Alaska 99701  
voice 907-451-7411  
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January 19, 2013

**Senator Cathy Giessel**  
Juneau, AK

TRANSMITTED VIA EMAIL

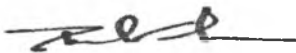
RE: **Support of SB 16 Investigator & remove "Written" in Exam Reference**  
**Board of Registration for Architects, Engineers and Land Surveyors**

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



THE STATE  
of **ALASKA**  
GOVERNOR SEAN PARNELL

Department of Commerce,  
Community,  
and Economic Development

DIVISION OF CORPORATIONS, BUSINESS AND  
PROFESSIONAL LICENSING

P.O. Box 110806  
Juneau, Alaska 99811-0806  
Main: 907.465.2550  
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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.

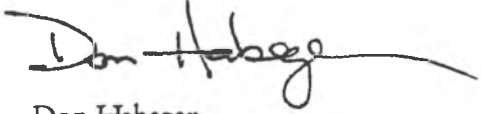
**2. How many fines/penalties are issued per year, compared to how many cases were filed?**

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 line extending to the right from the end of the name.

Don Habeger  
Director