

Leg. Finance-House & Senate Finance Comte Files (1991-1992) 828

1                   (3) interest earned on money described in (1) and (2) of this subsection while  
2                   the money is held in trust, escrow, or otherwise before receipt of the money by the state:

3                   (4) any other money appropriated to or otherwise allocated by law to the  
4                   [ALASKA PERMANENT] fund.

5 \* Sec. 2. AS 37.13.010(b) is amended to read:

6                   (b) Payments due the Alaska permanent fund under (a) of this section shall be made to  
7                   the fund on the day the amount due to the fund reaches at least \$5,000,000 and at least once  
8                   each month.

9 \* Sec. 3. AS 37.13.020 is amended to read:

10                   Sec. 37.13.020. FINDINGS. The people of the state, by constitutional amendment, have  
11                   required the placement of at least 25 percent of all mineral lease rentals, royalties, royalty sale  
12                   proceeds, and federal mineral revenue sharing payments and bonuses received by the state into  
13                   a permanent fund. The legislature finds with respect to the fund [ALASKA PERMANENT  
14                   FUND CORPORATION] that

15                   (1) the fund [CORPORATION] should provide a means of conserving a portion  
16                   of the state's revenue from mineral resources to benefit all generations of Alaskans;

17                   (2) the fund's [CORPORATION'S] goal should be to maintain safety of principal  
18                   while maximizing total return;

19                   (3) the fund [CORPORATION] should be used as a savings device managed to  
20                   allow the maximum use of disposable income from the fund [CORPORATION] for purposes  
21                   designated by law.

22 \* Sec. 4. AS 37.13.030 is amended to read:

23                   Sec. 37.13.030. PURPOSE. It is the purpose of this chapter to provide a mechanism for  
24                   the management and investment of those [PERMANENT] fund assets by [ALLOCATED TO]  
25                   the Alaska Permanent Fund Corporation in a manner consistent with the findings in  
26                   AS 37.13.020.

27 \* Sec. 5. AS 37.13.040 is amended to read:

28                   Sec. 37.13.040. ALASKA PERMANENT FUND CORPORATION. There is established  
29                   the Alaska Permanent Fund Corporation. The corporation is a public corporation and government  
30                   instrumentality in the Department of Revenue managed by the board of trustees. The purpose  
31                   of the corporation [BOARD] is to manage and invest the assets of the permanent fund and

1 other funds designated by law [CORPORATION] in accordance with this chapter.

2 \* Sec. 6. AS 37.13.110(b) is amended to read:

3 (b) If a member of the board or an employee of the corporation acquires, owns, or  
4 controls an interest, direct or indirect, in an entity or project in which fund [CORPORATION]  
5 assets are invested, the member shall immediately disclose the interest to the board. The  
6 disclosure is a matter of public record and shall be included in the minutes of the board meeting  
7 next following the disclosure.

8 \* Sec. 7. AS 37.13.120(a) is amended to read:

9 (a) The prudent-investor [PRUDENT-MAN] rule shall be applied by the board in the  
10 management and investment of [ALASKA PERMANENT] fund assets. The prudent-investor  
11 [PRUDENT-MAN] rule as applied to investments of the fund [CORPORATION] means that in  
12 making investments the board shall exercise the judgment and care under the circumstances then  
13 prevailing that an institutional investor of ordinary prudence, discretion, and intelligence exercises  
14 in the management of large investments entrusted to it not in regard to speculation but in regard  
15 to the permanent disposition of funds, considering probable safety of capital as well as probable  
16 income.

17 \* Sec. 8. AS 37.13.120(b) is amended to read:

18 (b) The fund [CORPORATION] assets shall only be used for income-producing  
19 investments.

20 \* Sec. 9. AS 37.13.120(e) is amended to read:

21 (e) The corporation may not borrow money [FUNDS] or guarantee from principal of the  
22 [ALASKA PERMANENT] fund the obligations of others.

23 \* Sec. 10. AS 37.13.120(g) is amended to read:

24 (g) Subject to the limitations contained in this section, the board may invest fund  
25 [CORPORATION] assets at the competitive national market rates or prices that are applicable  
26 to each investment only in

27 (1) obligations of, or obligations insured by or guaranteed by, the United States  
28 or agencies or instrumentalities of the United States;

29 (2) obligations secured by reserves paid in by the United States or agencies or  
30 instrumentalities of the United States or obligations of corporations in which the United States  
31 is a shareholder or member;

1 (3) certificates of deposit and term deposits of United States domestic banks that  
2 are members of the Federal Deposit Insurance Corporation and that may be readily sold in a  
3 secondary market at prices reflecting fair value or that are fully secured at all times as to  
4 payment of principal and interest as described in (m) of this section;

5 (4) certificates of deposit and term deposits of federally chartered savings and  
6 loan associations in Alaska [THAT MAY BE READILY SOLD IN A SECONDARY MARKET  
7 AT PRICES REFLECTING FAIR VALUE OR] that are fully secured at all times as to payments  
8 of principal and interest as described in (m) of this section;

9 (5) [CERTIFICATES OF DEPOSIT AND TERM DEPOSITS OF STATE  
10 CHARTERED SAVINGS AND LOAN ASSOCIATIONS IN ALASKA THAT MAY BE  
11 READILY SOLD IN A SECONDARY MARKET AT PRICES REFLECTING FAIR VALUE  
12 OR THAT ARE FULLY SECURED AT ALL TIMES AS TO PAYMENTS OF PRINCIPAL  
13 AND INTEREST AS DESCRIBED IN (m) OF THIS SECTION;

14 (6) certificates of deposit and term deposits of mutual savings banks in Alaska  
15 [THAT MAY BE READILY SOLD IN A SECONDARY MARKET AT PRICES REFLECTING  
16 FAIR VALUE OR] that are fully secured at all times as to payments of principal and interest as  
17 described in (m) of this section;

18 (6) [(7)] fixed-term certificates of indebtedness of federally insured credit unions  
19 in Alaska [THAT MAY BE READILY SOLD IN A SECONDARY MARKET AT PRICES  
20 REFLECTING FAIR VALUE OR] that are fully secured at all times as to payments of principal  
21 and interest as described in (m) of this section;

22 (7) [(8)] domestic corporate debt securities that are rated AA or better by a  
23 nationally recognized rating service, or nondomestic corporate debt securities of comparable  
24 quality;

25 (8) [(9)] short-term

26 (A) domestic corporate promissory notes of the highest ratings assigned  
27 by a nationally recognized rating service; [,] or

28 (B) nondomestic corporate promissory notes of comparable quality, the  
29 interest on which may be payable in either United States dollars or nondomestic  
30 currencies;

31 (9) [(10)] bankers' acceptances drawn on and accepted by United States banks

1 each of which has a combined capital and surplus aggregating at least \$200,000,000;

2 (10) [(11)] repurchase agreements, the securities underlying the agreements being  
3 any of the items in (1) - (6) [(1) - (3) AND (8) - (10)] of this subsection;

4 (11) [(12)] THE GUARANTEED PORTION OF FEDERAL SMALL BUSINESS  
5 ADMINISTRATION LOANS;

6 (13) THE PORTION OF FIRST LIEN REAL ESTATE MORTGAGES  
7 GUARANTEED BY THE FEDERAL VETERANS ADMINISTRATION;

8 (14) the portions of business and industrial loans made under the Rural  
9 Development Act of 1972 that are guaranteed by the Farmers Home Administration;

10 (12) [(15)] the guaranteed portion of Farmers Home Administration loans;

11 (13) [(16)] notes secured by mortgages granting a first lien on [COMMERCIAL  
12 OR] residential real estate improved by completed buildings if the mortgages are insured by a  
13 private mortgage insurance corporation that is authorized to do business in this state [ALASKA]  
14 and has combined capital and surplus aggregating at least \$20,000,000, and if loan-to-value ratios  
15 do not exceed [75 PERCENT FOR COMMERCIAL MORTGAGES AND] 90 percent [FOR  
16 RESIDENTIAL MORTGAGES]; however,

17 [(A) MORTGAGE INSURANCE IS NOT NECESSARY FOR  
18 COMMERCIAL LOANS HAVING LOAN-TO-VALUE RATIOS OF LESS THAN 50  
19 PERCENT AND THE MINIMUM COVERAGE OF OTHER COMMERCIAL LOANS  
20 SHALL BE 10 PERCENT FOR THOSE HAVING A LOAN-TO-VALUE RATIO OF  
21 50 - 60 PERCENT AND 15 PERCENT FOR THOSE HAVING A LOAN-TO-VALUE  
22 RATIO GREATER THAN 60 PERCENT BUT NO MORE THAN 75 PERCENT; AND

23 [(B)] mortgage insurance is not necessary for residential loans having a  
24 loan-to-value ratio of less than 70 percent and the minimum coverage of other residential  
25 loans shall be 10 percent for those having a loan-to-value ratio greater than 70 percent  
26 but less than 90 percent and 20 percent for those having a loan-to-value ratio of 90  
27 percent;

28 (14) [(17)] NOTES SECURED BY MORTGAGES GRANTING A FIRST LIEN  
29 ON COMMERCIAL REAL ESTATE IMPROVED BY COMPLETED BUILDINGS IF THE  
30 ORIGINATING FINANCIAL INSTITUTION RETAINS AT LEAST 25 PERCENT OF THE  
31 MORTGAGE UNTIL MATURITY;

1 (18)] preferred and common stock of corporations incorporated in the United  
2 States;

3 (15) [(19)] certificates of deposit, term deposits, or bankers' acceptances, that are  
4 issued by a United States or nondomestic bank or trust company located outside of the United  
5 States and are denominated in United States or nondomestic currency, if either (A) they may be  
6 readily sold in a secondary market at prices reflecting fair value, or (B) the issuing bank or trust  
7 company has capital, surplus, and retained earnings at the date of issue equaling at least  
8 \$500,000,000; investments made under this paragraph are not subject to the collateral  
9 requirements for domestic certificates under (m) of this section;

10 (16) [(20)] equity interests in, and debt obligations secured by mortgages granting  
11 a first lien on, real estate improved by completed and substantially rented buildings and located  
12 in the United States, if these investments are made

13 (A) in a corporation, partnership, trust, or other entity in which, at the  
14 conclusion of each investment transaction, at least 60 percent of the beneficial ownership  
15 interests are held by other institutional investors, and which is organized and operated for  
16 the purpose of making real estate investments by a bank, insurance company, or other  
17 manager of institutional funds that has had at least five years of experience in the  
18 management of real estate investments of institutional investors; or

19 (B) with corporations, partnerships, trusts, or entities in which, at the  
20 conclusion of each investment transaction, at least 60 percent of the beneficial  
21 ownership interests in the co-investing entity or entities as a whole are held by  
22 institutional investors, if

23 (i) at the time of investment the fund has no more than  
24 a 40 percent beneficial ownership interest in the real estate invested in as a  
25 whole;

26 (ii) the rights and obligations of the fund are  
27 substantially similar to those of the other institutional investors, except for the  
28 percentage interest in the property; and

29 (iii) the property is managed and operated by an entity  
30 that has had at least five years of experience in the management of real estate  
31 investments of institutional investors [IN CONJUNCTION WITH AND ON

1 SUBSTANTIALLY THE SAME TERMS AS AN ENTITY DESCRIBED IN (A)  
2 OF THIS PARAGRAPH];

3 (17) [(21)] securities of non-domestic governments and non-domestic government  
4 agencies, the principal of, or interest on, which is payable in either United States dollars or non-  
5 domestic currencies;

6 (18) [(22)] securities of non-domestic corporations, including common and  
7 preferred stock, whose dividends, if any, may be payable in either United States dollars or non-  
8 domestic currencies;

9 (19) taxable municipal or state debt securities that are rated "AA" or better  
10 by a nationally recognized rating service;

11 (20) shares in a money market or short-term investment fund that has either  
12 collateral securities of a type authorized elsewhere in this section as acceptable collateral  
13 or securities of similar quality to those authorized elsewhere in this section as acceptable  
14 collateral.

15 \* Sec. 11. AS 37.13.120(i) is amended to read:

16 (i) The [ALASKA PERMANENT] fund may at no time own more than five percent of  
17 the voting stock of a corporation. Domestic stocks, except for bank and insurance company  
18 stocks, must be listed at the date of purchase on an exchange registered with the Securities and  
19 Exchange Commission. At the time of each investment, the aggregate investment of the fund in  
20 each stated category of investment may not exceed the following stated percentage of the total  
21 investments of the fund:

22 (1) mortgages under (g)(13) [(g)(16)] of this section - 15 percent;

23 (2) real estate investments under (g)(16) [(g)(20)] of this section - 15 percent;

24 (3) certificates of deposit, term deposit, or bankers' acceptances under (g)(15)  
25 [(g)(19)] of this section - 20 percent;

26 (4) securities of nondomestic governments, nondomestic government agencies, and  
27 nondomestic corporations under (g)(7), (17), and (18) [(g)(8), (21), AND (22)] of this section,  
28 domestic corporate stocks and debt securities under (g)(7) [(g)(8)] and (14) [(18)] of this section,  
29 and short-term nondomestic corporate promissory notes under (g)(8)(B) [(g)(9)(B)] of this section  
30 - 50 percent.

31 \* Sec. 12. AS 37.13.120(j) is amended to read:

1 (j) The assets of the [ALASKA PERMANENT] fund may not be used for the purchase  
2 of bonds of a corporation, upon which any regular interest payment has been defaulted within  
3 five years before purchase, except bonds never in default but which have been outstanding for  
4 less than five years.

5 \* Sec. 13. AS 37.13.120(k) is amended to read:

6 (k) The board shall establish and from time to time as necessary modify guidelines for  
7 the investment of the assets of the fund [CORPORATION]. Before adoption of any guidelines  
8 the guidelines shall be reported to the Legislative Budget and Audit Committee for review and  
9 comment.

10 \* Sec. 14. AS 37.13.120(l) is amended to read:

11 (l) The board shall invest the assets of the fund [CORPORATION] in in-state  
12 investments to the extent in-state investments are available if the in-state investments

13 (1) have a risk level and expected yield comparable to alternate investment  
14 opportunities; and

15 (2) are included in the list of permissible investments in (g) of this section.

16 \* Sec. 15. AS 37.13.120(m) is amended to read:

17 (m) Certificates of deposit or the equivalent instruments that are not of a quality that may  
18 be readily sold in a secondary market at prices reflecting fair value must be secured by a pledge  
19 as collateral of

20 (1) investments authorized for the [ALASKA PERMANENT] fund under (g)(1),  
21 (2), (4), or (8) - (10) [(8), OR (12) - (17)] of this section;

22 (2) [OR BY A PLEDGE AS COLLATERAL OF] obligations of the state or  
23 instrumentalities of the state that are rated at least "A" by a major bond rating service and have  
24 a demonstrated secondary market;

25 (3) the guaranteed portion of Federal Small Business Administration loans;

26 (4) the portion of first lien real estate mortgages guaranteed by the federal  
27 Department of Veterans Affairs; or

28 (5) notes secured by mortgages granting a first lien on commercial or  
29 residential real estate improved by completed buildings if the originating financial  
30 institution retains at least 25 percent of the mortgage until maturity [, WHICH  
31 INVESTMENTS OR OBLIGATIONS HAVE VALUE AT LEAST EQUAL TO THE FACE

1 VALUE OF THE CERTIFICATE OF DEPOSIT. THE BOARD MAY REQUIRE  
2 SUBSTITUTION OF COLLATERAL IN ORDER TO ENSURE CONTINUED SATISFACTION  
3 OF THE REQUIREMENTS SET OUT IN THIS SUBSECTION].

4 \* Sec. 16. AS 37.13.120 is amended by adding a new subsection to read:

5 (n) Investments or obligations pledged as collateral under (m) of this section must have  
6 value at least equal to the face value of the certificates of deposit being secured. The board may  
7 require substitution of collateral in order to ensure continued satisfaction of the requirements set  
8 out in (m) of this section.

9 \* Sec. 17. AS 37.13.140 is amended to read:

10 Sec. 37.13.140. INCOME. Net income of the fund includes income of the earnings  
11 reserve account established under AS 37.13.145. Net income of the fund [CORPORATION]  
12 shall be computed annually as of the last day of the fiscal year in accordance with generally  
13 accepted accounting principles, excluding any unrealized gains or losses. Income available for  
14 distribution equals 21 percent of the net income of the fund [CORPORATION] for the last five  
15 fiscal years, including the fiscal year just ended, but may not exceed net income of the fund  
16 [CORPORATION] for the fiscal year just ended plus the balance in the earnings reserve account  
17 described in AS 37.13.145.

18 \* Sec. 18. AS 37.13.145 is repealed and reenacted to read:

19 DISPOSITION OF INCOME. (a) The earnings reserve account is established as a  
20 separate account in the fund. Income from the fund shall be deposited by the corporation into  
21 the account as soon as it is received. Money in the account shall be invested in investments  
22 authorized under AS 37.13.120.

23 (b) At the end of each fiscal year, the corporation shall transfer from the earnings reserve  
24 account to the dividend fund established under AS 43.23.045 50 percent of the income available  
25 for distribution under AS 37.13.140. However, income earned on money awarded after trial in  
26 State v. Amerada Hess, et al., 1JU-77-847 Civ. (Superior Court, First Judicial District) shall be  
27 treated in the same manner as other income of the permanent fund, except that it is not available  
28 for distribution to the dividend fund, and shall be annually deposited into the principal of the  
29 permanent fund.

30 (c) After the transfer under (b) of this section, the corporation shall transfer from the  
31 earnings reserve account to the principal of the fund an amount sufficient to offset the effect of

1 inflation on principal of the fund during that fiscal year. The corporation shall calculate the  
2 amount to transfer to the principal under this subsection by

3 (1) computing the average of the monthly United States Consumer Price Index  
4 for all urban consumers for each of the two previous calendar years;

5 (2) computing the percentage change between the first and second calendar year  
6 average; and

7 (3) applying that rate to the value of the principal of the fund on the last day of  
8 the fiscal year just ended.

9 \* Sec. 19. AS 37.13.150 is amended to read:

10 Sec. 37.13.150. CORPORATION BUDGET. The revenue generated by the fund's  
11 [CORPORATION'S] investments must be identified as the source of the operating budget of the  
12 corporation in the state's operating budget under AS 37.07 (Executive Budget Act). The  
13 unexpended balance of the corporation's annual operating budget does not lapse at the end of the  
14 fiscal year but shall be treated as income under AS 37.13.140.

15 \* Sec. 20. AS 37.13.160 is amended to read:

16 Sec. 37.13.160. AUDITS. The Legislative Budget and Audit Committee may provide  
17 for an annual post audit and annual operational and performance evaluations of the fund's  
18 [CORPORATION'S] investments and investment programs.

19 \* Sec. 21. AS 37.13.170 is amended to read:

20 Sec. 37.13.170. REPORTS AND PUBLICATIONS. By September 30 of each year, the  
21 board shall publish a report of the fund [CORPORATION] for distribution to the governor,  
22 legislature, and the public. The report shall be written in easily understandable language. The  
23 report must include financial statements audited by independent outside auditors, a statement of  
24 the amount of money received by the [ALASKA PERMANENT] fund from each investment  
25 during the period covered, a statement of investments of the fund [CORPORATION] including  
26 an appraisal at market value, a description of fund [CORPORATION] investment activity during  
27 the period covered by the report, a comparison of the fund [CORPORATION] performance with  
28 the intended goals contained in AS 37.13.020, an examination of the impact of the investment  
29 criteria of this chapter on the fund [CORPORATION] portfolio with recommendations of any  
30 needed changes, and any other information the board believes would be of interest to the  
31 governor, the legislature, and the public. The annual income statement and balance sheet of the

1 fund [CORPORATION] shall be published in at least one newspaper in each judicial district. The  
2 income statement and balance sheet for the two fiscal years preceding the publication of the  
3 election pamphlet under AS 15.58 shall be included in that pamphlet.

4 \* Sec. 22. AS 37.13.180 is amended to read:

5 Sec. 37.13.180. TAX EXEMPTION. The corporation and the fund are [IS] exempt  
6 from all taxes and assessments in the state. All security instruments issued by the corporation  
7 or the fund, their transfer, and their income are exempt from all taxes and assessments in the  
8 state.

9 \* Sec. 23. AS 37.13.190 is amended to read:

10 Sec. 37.13.190. POLITICAL ACTIVITIES. The resources of the corporation or the fund  
11 may not be used to finance or influence political activities.

12 \* Sec. 24. AS 37.13.210 is amended by adding a new paragraph to read:

13 (3) "fund" means the Alaska permanent fund established under art. IX, sec. 15,  
14 Constitution of the State of Alaska.

15 \* Sec. 25. AS 43.23.025(a) is amended to read:

16 (a) By October 1 of each year the commissioner shall determine the value of each  
17 permanent fund dividend for that year by

18 (1) determining the total amount available for dividend payments, which equals

19 (A) the amount of income of the Alaska permanent fund transferred to the  
20 dividend fund under AS 37.13.145(b) [AS 43.23.045(b)] during the current year;

21 (B) plus the unexpended and unobligated balances of prior fiscal year  
22 appropriations that lapse into the dividend fund under AS 43.23.045(d);

23 (C) less the amount necessary to pay dividends from the dividend fund in  
24 the current year under AS 43.23.055(3) and (7);

25 (D) less the amount necessary to pay dividends from the dividend fund  
26 due to eligible applicants who, as determined by the department, filed for a previous  
27 year's dividend by the filing deadline but who were not included in a previous year's  
28 dividend computation;

29 (E) less appropriations from the dividend fund during the current year,  
30 including amounts to pay costs of administering the dividend program and the hold  
31 harmless provisions of AS 43.23.075;

1                   (2) determining the number of individuals eligible to receive a dividend payment  
2           for the current year; and

3                   (3) dividing the amount determined under (1) of this section by the amount  
4           determined under (2) of this section.

5 \* Sec. 26. AS 43.23.045(b) is repealed.

6 \* Sec. 27. This Act takes effect July 1, 1991.

# Alaska State Legislature

Sen. Pat Pourchot, Co-Chairman  
Sen. Jay Kerttula, Co-Chairman

Sen. Al Adams  
Sen. Jim Duncan  
Sen. Lyman F. Hoffman  
Sen. Dick Shultz  
Sen. Rick Uehling



P.O. Box V  
State Capitol  
Juneau, Alaska 99811

907-465-3712

## Senate Finance Committee

### Proposed Finance Amendments to CSSB 39(JUD)

Legislative Budget and Audit has reviewed SB39 and offered three suggestions. The sponsor considers two of the three suggestions to be friendly amendments and has drafted the attached amendment to accommodate their inclusion in a Finance CS. The third suggestion would change the method of inflation-proofing from that which is currently used by the Permanent Fund Corporation, resulting in less growth of the principal. The sponsor does not accept this suggestion.

Briefly, the amendment does two things. First, the changes to page 2, lines 1 and 2 will clarify that the intent of Section 1 is to permanently establish the policy that interest earnings on amounts due the state go to permanent fund principal rather than income. The current language may be incorrectly interpreted to mean that interest earned by the state after the receipt of such money but before deposit in the permanent fund is to be deposited in the permanent fund.

Second, the amendment to page 8, lines 26 and 27 will replace a general requirement for collateral that was inadvertently eliminated in the original bill.



MITT & Jay

**Alaska Permanent Fund Corporation**

P.O. Box 4-1000 Juneau, Alaska 99802-4100

(907) 465-2047

**MEMORANDUM**

**DATE:** February 20, 1991

**TO:** Representative Ron Larson  
Chairman, Legislative Budget & Audit Committee

**FROM:** David A. Rose *DR*  
Executive Director

**SUBJECT:** Proposed Amendments to CS SB 39 (L&C)

I have reviewed your letter dated February 15 and the attached memorandum regarding CS SB 39 (L&C). I have no objection to the two proposed amendments. I do not agree, however, with Mr. Barker's comment that the current method of inflation-proofing over-compensates for inflation.

### Educational endowment

The Governor's proposed education endowment engendered lengthy comment and healthy debate before the Commission. People discussed the issues of the Permanent Fund's role, government spending in general, and specifically the level and method of funding education. This issue is now before the Legislature and this appears to be the appropriate forum for deciding upon any proposal to be placed before the voters.

Recommendation: The Commission forwards no specific recommendation on the proposed educational endowment.

### Clean up the statutory language

The Legislature should re-examine all of the current statutes involving the Permanent Fund for consistency and clarity. A clear and precise definition and method of calculating net income should be adopted (in the absence of the adoption of a payout method). There appears to be less than precise use of the terms "fund", "principal", and "Corporation".

For example, A.S. 37.13.010(a) discusses the Permanent Fund and is generally cited as the statutory definition of the principal of the Fund. It is often stated that the balance in the earnings reserve account (ERA) is not part of the principal. However, a reading of A.S. 37.13.010(a)(3) and 37.13.145 "allocates" the ERA which is "in the Alaska Permanent Fund". If the ERA is not part of the "fund", i.e. principal, why are the earnings from the ERA used to calculate dividends? Also A.S. 37.13.140 addresses "net income of the corporation" and A.S. 37.13.040 discusses the "assets of the corporation", while neither of these phrases is defined.

Recommendation: The ambiguities in the existing statutes regarding the Permanent Fund should be clarified.

income for the Fund over time and, hence, lesser principal. The current inflation-proofing procedure (converting investments into cash which can then be deposited into the principal) may actually be robbing the Fund of real growth over time.

**(2) Maximizing Deposits:** In the past, the Corporation has calculated annual inflation-proofing requirements so as to produce the maximum possible deposit for inflation-proofing each year. The Corporation assumes that the dedicated mineral revenue deposits are included in the fund's principal for the entire fiscal year, when in fact dedicated revenue deposits into the Fund occur continuously throughout the year, and their actual inflation-proofing requirements are less than the inflation-proofing deposits made. With the statute silent on this point, the Corporation has chosen an approach unusual by accounting practices, but designed to produce maximum contributions to the fund's principal. The Corporation sought legislative approval for this approach through Legislative Budget and Audit, albeit after the fact. After one unsuccessful attempt (October 24, 1983 meeting, where action was tabled), Legislative Budget and Audit approved the methodology at its January 12, 1984 meeting. But it remains a matter of policy, not statute nor regulation, and with a different Board of Trustees or Corporation staff, the outcome could be different.

**(3) Inflation-proofing Transfers:** Inflation-proofing transfers used to occur automatically under AS 37.13.145, but arguably require an appropriation. In an April 11, 1979 memorandum, the Dept. of Law examined the clause concerning disposition of permanent fund income: "all income from the permanent fund shall be deposited in the general fund unless otherwise provided by law." and concluded that the clause does not exempt the fund's income from the prohibition against dedicated funds. Further, the constitution provides that "No money shall be withdrawn from the treasury except in accordance with appropriations made by law" (Art. IX, Sec. 13). Furthermore, the Alaska courts have subsequently ruled that continuing appropriations are not constitutional. The counter argument is that the statutory dedication is arguably required to achieve the basic goal for which the fund was established, i.e. provide permanence, and hence is allowable. If that argument were carried to its logical conclusion, however, then inflation-proofing would be automatically the first priority for Fund earnings, which it clearly is not. If there is ambiguity, it seems

Net Income of \$1.069 billion, minus Permanent Fund Dividends (PFD) of \$391 million, minus Inflation-Proofing of \$148 million, leaves a Net Income residual of \$530 million.

Income Available for Distribution of \$787 million, minus PFD of \$391 million, minus Inflation-Proofing of \$148 million,<sup>6</sup> leaves an Income Available for Distribution residual of \$248 million.

The difference between the two residuals is \$282 million, which has since earned interest of about \$54 million, for a total of about \$335 million.

The statute calls for only the residual from "Income available for distribution" to be transferred to the earnings reserve account, or \$248 million. Instead, the entire "net income" residual of \$530 million was retained in the earnings reserve account. The statutory confusion has resulted in the disposition of over \$300 million taking place without due legislative consideration. The policy consequences are to increase the size of the dividend and keep money out of the general fund which should be there as a matter of constitutional requirement. A clarification of the statute is warranted to establish legislative intent.

#### Treatment of Royalty Litigation Interest Earnings - - 8(g) or Dinkum Sands and North Slope Royalty Funds

When funds placed in escrow during royalty litigation generate interest earnings, should the interest that eventually goes to the Permanent Fund be treated upon receipt by the Corporation as principal or as earnings? If the latter, the money representing the interest component would be distributable and available for appropriation. As oil revenues dwindle in the future, the availability or non-availability of royalty litigation interest earnings will have significant fiscal and possible program implications for the state. Legal proceeds from both the North Slope Royalty and Dinkum Sands cases may be large, as much as \$2.3 billion. Of that combined total, approximately \$386

---

<sup>6</sup> The statutes do not speak to subtracting Inflation-Proofing from Income Available for Distribution, but from Net Income. The practice, however, is as represented in the example. If one relies solely on the statutory construction, the numbers never add up.

million of interest earnings would go to the Permanent Fund, along with \$385 million in principal. The table below presents maximum distributions based on the "best of all possible worlds" outcomes for the state. Noteworthy is that interest earnings now rival the principal amount in both cases.

Maximum Possible Distributions to Permanent Fund of Dinkum Sands and North Slope Royalty-related Proceeds \*

Dinkum Sands

\$ 194,797,625	Bonuses	244,126,432	Bonus Interest
<u>990,991</u>	Rents	<u>1,167,879</u>	Rent Interest
\$ 195,788,616	Total Rents/Bonuses	245,294,311	Total Interest

North Slope Royalty Case

\$ 131,249,721	RIV Deficiencies	101,117,831	RIV Interest
<u>58,266,680</u>	RIK Deficiencies	<u>39,747,053</u>	RIK Interest
\$ 189,516,401	Total Deficiencies	140,864,884	Total Interest

		<u>Principal</u>	<u>Interest</u>
Dinkum Sands	\$	195,788,616	245,294,311
North Slope		<u>189,516,401</u>	<u>140,864,884</u>
Total	\$	385,305,017	386,159,195
<hr/>			
Total Permanent Fund Distributions	\$	771,464,212	

\* Dinkum Sands proceeds calculations based on Minerals Management Service data of 12/31/89; North Slope Royalty proceeds calculations based on estimated deficiencies plus interest as of 3/90; Hellen Partnow, and Condon.

FISCAL NOTE

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. CSSB 39

Revision Date: May 10, 1991  
Title: Alaska Permanent Fund Corporation Technical Re-  
vision  
Sponsor: Pourchot  
Requestor: \_\_\_\_\_

Department Affected: Revenue  
BRU: Revenue Operations  
Component: Treasury

Component Serial No.

	1	2	1
--	---	---	---

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	10.0	10.0	10.0	10.0	10.0	10.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>

CAPITAL						
---------	--	--	--	--	--	--

REVENUE	(1,765.0)	(1,765.0)	(1,765.0)	(1,765.0)	(1,765.0)	(1,765.0)
---------	-----------	-----------	-----------	-----------	-----------	-----------

FUNDING: (Thousands of Dollars)

GENERAL FUND	1,775.0	1,775.0	1,775.0	1,775.0	1,775.0	1,775.0
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	<b>1,775.0</b>	<b>1,775.0</b>	<b>1,775.0</b>	<b>1,775.0</b>	<b>1,775.0</b>	<b>1,775.0</b>

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: \_\_\_\_\_

**ANALYSIS:** Loss of general fund unrestricted investment earnings of \$1,765.0 plus personal service costs of \$10.0 to separately administer and account for the funds and earnings while in transit to Permanent Fund Corporation.

Prepared by: Brian C. Andrews Phone: 465-2350  
Division: Treasury Division Date: May 10, 1991  
Approved by Commissioner: [Signature]  
Agency: Revenue

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Rev 10/90

Page 1 of 3

**Disregard. If new CS (Fin) is adopted, this note does not apply.**

## Analysis of Bill/Program Effects - CSSB 39

The Department of Revenue views the operational problems and fiscal impact associated with amendment 37.13.010 (a)(3) with concern. This amendment requires the State to calculate and pay interest on contributions due the Permanent Fund while they reside in the State's General Fund. Current statute allows the State's Departments of Natural Resources (DNR) and Revenue up to 30 days to account for and distribute royalty and other revenue due to the Permanent Fund. It takes the DNR approximately 10 to 15 days to calculate the correct percentage of revenues due the Permanent Fund from the State's various mineral leases and bonuses. Because the Permanent Fund's revenues are commingled with other General Fund revenues, it would be a very difficult job to determine what proportion of earnings on these amounts would belong to the Permanent Fund.

From May of 1990 through April of 1991, Treasury transferred, at the request of DNR, to the Permanent Fund a total of \$353.034 million. The annual amount of \$353.034 million divided by 12 equals an average monthly disbursement of \$29.420 million. This monthly amount is in the General Fund for approximately three weeks or 75% of the time before it is disbursed. 75% of \$29.420 million is \$22.065 million. Annualized earning calculated at 8% on \$22.065 million is \$1.765 million. Approximately \$1.765 million annually would be lost from the unrestricted investment revenue flow of the State's General Fund.

SB 440

Hes waived 5/2/91 Jua waived 5/4/91

HOUSE COMMITTEE REPORT

(11)  
Date Referred: May 6, 1991

FURTHER REFERRALS:

Date of Committee Action: 5/14/91

The FINANCE Committee considered: CSSB 40(FIN)

CS FOR SENATE BILL NO. 40 (FINANCE) MARITAL AND FAMILY THERAPISTS

"An Act regulating the practice of marital and family therapy and amending Alaska Rule of Evidence 504(a)(3)."

RECOMMENDATIONS:  
be replaced with HCS (S SB 40(FIN)) [X] the same title [ ] a new title

- [ ] have attached amendments(s)
- [X] do pass
- [ ] do not pass
- [ ] no recommendations
- [ ] individual recommendations
- [ ] additional referral to the \_\_\_\_\_ Committee

ADOPTS: Senate letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) APPROVES PREVIOUS: (Dept/Date)

- [ ] fiscal impact \_\_\_\_\_
- [X] zero fiscal note DCED
- [ ] fiscal note(s) \_\_\_\_\_
- [ ] zero fiscal note(s) \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
Mike Navarre		Bob Thompson		X	
Mandi Bayer	X	George Jackson		X	
Kay Brown	X				
Thomas Koponen	X				
Thomas Barnes	X				
Robt E. Phillips	X				
Donald J. Hanson	X				
F. Ulmer	X				

Mike Navarre  
60- CHAIRMAN'S SIGNATURE

# Alaska State Legislature

Sen. Pat Pourchot, Co-Chairman  
Sen. Jay Kerttula, Co-Chairman



P.O. Box V  
State Capitol  
Juneau, Alaska 99811

907-465-3712

Sen. Al Adams  
Sen. Jim Duncan  
Sen. Lyman F. Hoffman  
Sen. Dick Shultz  
Sen. Rick Uehling

## Senate Finance Committee

### SENATE FINANCE COMMITTEE LETTER OF INTENT

CSSB 40 (FIN)

"Regulating the practice of marital and family therapy."

The Senate Finance Committee is concerned that the license fees reflected in the fiscal note for CSSB 40 (FIN) of \$350 per year will only support the full program costs of the marital and family therapists board every other year unless licensees are forced to pay a prohibitively high annual fee.

This Committee encourages the prime sponsor and both the Governor and the Department of Commerce & Economic Development to make an effort in the next two years to combine the Marital and Family Therapy Board with other boards. We believe this would create administrative costs that can easily be covered by licensing fees each year.

A handwritten signature in cursive script, appearing to read "Pat Pourchot".

Senator Pat Pourchot  
Co-Chair  
Senate Finance

Senate adopted 4/17/91

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

No. 2

Bill Version: CSSB 40 (FIN)

(S) Publish Date: \_\_\_\_\_

Revision Date: \_\_\_\_\_ Department Affecter: \_\_\_\_\_  
 Title: Regulating the practice of BRU: Occupational Licensing  
marital and family therapy.... Component: Administration  
 Sponsor: Senator Pearce  
 Requestor: Senate HESS COMPONENT SERIAL NO. 

0	3	5	6
---	---	---	---

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	3.6	3.6	3.6	3.6	3.6	3.6
TRAVEL	12.7	12.7	11.6	11.6	11.6	11.6
CONTRACTUAL	10.7	10.7	10.7	10.7	10.7	10.7
SUPPLIES	1.0	1.0	1.0	1.0	1.0	1.0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	28.0	28.0	26.9	26.9	26.9	26.9

CAPITAL						
---------	--	--	--	--	--	--

REVENUE	28.0	0	28.0	0	28.0	0
---------	------	---	------	---	------	---

FUNDING: (Thousands of Dollars)

GENERAL FUND		28.0		26.9		26.9
FEDERAL FUNDS						
OTHER GF/PR	28.0	0	26.9	0	26.9	0
TOTAL	28.0	28.0	26.9	26.9	26.9	26.9

POSITIONS:

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

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.) CSSB 40 (HES) establishes a five-member Board of Marital and Family Therapy to establish examination, training and education requirements for entry into the profession, and to issue licenses to qualified individuals. Information on file indicates there are approximately 40 practitioners who would be affected by this legislation upon passage.

Prepared By: Jennifer Strickler, Admin. Officer Phone: 465-2144

Division: Occupational Licensing Date: April 15, 1991

Approved by Commissioner: Glenn A. Olds

Agency: Commerce & Economic Development Date: 4-15-91

Changes in CSSB 40 (Fin) reflect NO FISCAL CHANGE from the original fiscal note. This fiscal note is appropriate. Glenn A. Olds Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

4/17/91 date Glenn A. Olds Comte Aide (initial)

CONTINUATION OF FISCAL NOTE ANALYSIS - CSSB 40 (HES)

This fiscal note represents the cost of licensing marital and family therapists with a five-member board and an estimate of forty (40) practitioners who would seek and qualify for licensure. Costs of the program are projected based on the number of licensees and mandates in the bill. Therefore, costs associated with the marital and family therapy licensing program are projected as follows:

Personal Services: \$ 3.6

To provide administrative staff support.

Travel: \$ 12.7

In FY 92, this funding will provide for two face-to-face meetings (one in Anchorage and one in Juneau), assuming two members are from the Anchorage area, two from Juneau, one from Fairbanks; and three division staff (Director, Licensing Examiner, and Regulations Specialist) to attend each meeting; and two additional meetings to be held by teleconference.

In FY 93, funding provides for three board meetings (two face-to-face and one by teleconference), and travel to administer the licensing examination in various locations throughout the State. (\$12.7)

In FY 94 forward, the licensing program will have been in operation for two years, and therefore, require fewer meetings to conduct its business. The number of board meetings is reduced to two meetings each year. This funding also provides for travel to administer the licensing examination in various locations. (\$11.6)

Contractual: \$ 10.7

This funding provides for printing, advertising, postage and communication costs.

Supplies: \$ 1.0

Funding will provide standard office supplies.

Grand Total: \$ 28.0

REVENUE:

The revenues are based on 40 practitioners paying a licensing fee of \$350 per year. Licenses are issued on a biennial cycle; therefore, revenues are doubled every other year ( $40 \times \$350 \times 2 = \$28,000$ ). As indicated, a license fee of \$350 per year (\$700 biennial), will support the costs of the licensing program in the first year.

Based on 40 practitioners, licensing fees will only be able to cover full program costs with a five-member board every other year unless licensees are willing to pay incredibly high annual licensing fees.

HOUSE CS FOR CS FOR SENATE BILL NO. 40 (FINANCE)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): SENATORS PEARCE, Menard

REPRESENTATIVES Gruenberg, M.A. Miller

A BILL

FOR AN ACT ENTITLED

1 "An Act regulating the practice of marital and family therapy and amending Alaska Rule  
2 of Evidence 504(a)(3)."

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

4 \* Section 1. AS 08 is amended by adding a new chapter to read:

5 CHAPTER 63. MARITAL AND FAMILY THERAPY.

6 ARTICLE 1. BOARD OF MARITAL AND FAMILY THERAPY.

7 Sec. 08.63.010. BOARD ESTABLISHED. (a) There is established the Board of Marital  
8 and Family Therapy.

9 (b) The board consists of three persons licensed under this chapter and two members of  
10 the public.

11 Sec. 08.63.020. BOARD APPOINTMENTS. The governor shall appoint the members  
12 of the board subject to confirmation by the legislature.

13 Sec. 08.63.030. MEETINGS. The board shall hold an annual meeting and may hold  
14 special meetings at the call of the chair or a majority of the board members.

1           Sec. 08.63.040. REMOVAL OF BOARD MEMBERS. The governor may only remove  
2 a member of the board for good cause.

3           Sec. 08.63.050. POWERS AND DUTIES OF THE BOARD. The board shall

4           (1) establish objective examination requirements and training and education  
5 requirements for persons who apply for a license to practice marital and family therapy;

6           (2) examine applicants and issue licenses to qualified applicants;

7           (3) establish continuing education requirements for license renewal;

8           (4) adopt a code of ethical practice for marital and family therapy;

9           (5) hold hearings and order the disciplinary sanction of a person who violates this  
10 chapter or a regulation of the board;

11           (6) ensure that licensees are aware of the requirements of AS 47.17.020;

12           (7) establish standards for supervisors and supervision under this chapter;

13           (8) report annually to the governor and the department on the board's proceedings  
14 each year; the report must include the number of licensure applicants, the number of  
15 examinations conducted, the failure rate for each examination, a financial report, and other  
16 information requested by the department;

17           (9) enforce the provisions of this chapter and adopt regulations necessary to carry  
18 out its duties under this chapter.

19           Sec. 08.63.060. PROCEDURES. The Administrative Procedure Act (AS 44.62) applies  
20 to regulations and proceedings under this chapter.

21           ARTICLE 2. MARITAL AND FAMILY THERAPY LICENSES.

22           Sec. 08.63.100. QUALIFICATIONS FOR LICENSE TO PRACTICE. (a) The board  
23 shall issue a license to practice marital and family therapy to a person who

24           (1) applies on a form provided by the board;

25           (2) pays the fee established under AS 08.01.065;

26           (3) furnishes evidence satisfactory to the board that the person

27           (A) has not engaged in conduct that is a ground for imposing disciplinary  
28 sanctions under AS 08.63.210;

29           (B) holds a master's degree or doctorate in marital and family therapy or  
30 allied mental health field from a regionally accredited educational institution approved by  
31 the board for which the person completed a course of study that included instruction

1 substantially equivalent to the following:

2 (i) three courses or nine semester or 12 quarter hours of course  
3 work in marital and family therapy;

4 (ii) three courses or nine semester or 12 quarter hours of course  
5 work in marital and family studies;

6 (iii) three courses or nine semester or 12 quarter hours of course  
7 work in human development;

8 (iv) one course or three semester or four quarter hours of course  
9 work in professional studies or professional ethics and law;

10 (v) one course or three semester or four quarter hours of course  
11 work in research; and

12 (vi) one year of supervised clinical practice in marital and family  
13 therapy;

14 (C) after receiving a degree described in (B) of this paragraph, has

15 (i) practiced marital and family therapy within three years of the  
16 person's application, including 1,500 hours of direct clinical contact with couples  
17 and families; and

18 (ii) been supervised in the clinical contact for at least 200 hours,  
19 including 100 hours of individual supervision and 100 hours of group supervision  
20 approved by the board;

21 (D) has received training related to domestic violence; and

22 (E) has passed a written or oral examination administered by the board.

23 (b) Under regulations adopted by the board, a person who holds a master's or doctorate  
24 degree in marital and family therapy or allied mental health field from a regionally accredited  
25 educational institution approved by the board, but whose course of degree study did not include  
26 all the courses or clinical practice requirements set out in (a)(3)(B) of this section may substitute  
27 post-degree courses or practice, as approved by the board, to satisfy the requirements of (a)(3)(B)  
28 of this section.

29 (c) An applicant who fails an examination given under this section may not retake the  
30 examination for a period of six months from the date of the examination that the applicant failed.

31 (d) A license issued under this section shall be renewed biennially by the applicant on

1 a date set by the department and approved by the board. It shall be renewed by payment of the  
2 fee established under AS 08.01.065 and by satisfaction of the continuing education requirements  
3 established by the board for the renewal of licenses issued under this section.

4 Sec. 08.63.110. LICENSE FOR SUPERVISED PRACTICE. (a) The board shall issue  
5 a four-year license for the supervised practice of marital and family therapy to a person who  
6 meets the requirements of AS 08.63.100(a)(1), (2), and (3)(A) - (B).

7 (b) A licensee under this section may practice only

8 (1) under the direct supervision of a supervisor approved by the board under  
9 AS 08.63.120; and

10 (2) in a clinic, social service agency, or other setting approved by the board.

11 (c) A license for supervised practice expires four years from the date of issuance and  
12 may not be renewed.

13 (d) A licensee under this section shall submit to the board for its approval a proposed  
14 plan for satisfying the supervision requirements of AS 08.63.100(a)(3)(C).

15 (e) A licensee under this section shall use the title "marital therapy associate," "family  
16 therapy associate," or other title that is approved by the board.

17 (f) The board shall revoke a license for supervised practice if the person fails the  
18 examination required under AS 08.63.100 two or more times.

19 Sec. 08.63.120. AUTHORIZED SUPERVISORS. (a) A person may not supervise a  
20 person under this chapter unless approved by the board to be a supervisor.

21 (b) A person who supervises a licensee under this section must

22 (1) have practiced marital and family therapy for five years;

23 (2) be licensed under this chapter; and

24 (3) meet the minimum standards established by the board for approved  
25 supervisors.

26 Sec. 08.63.130. TEMPORARY LICENSE FOR THE PRACTICE OF MARITAL AND  
27 FAMILY THERAPY. (a) The board shall issue a temporary license for the practice of marital  
28 and family therapy to an applicant who satisfies the requirements of AS 08.63.100(a)(1), (2) and  
29 (3)(A), (B), and (C) and has been approved by the board to take the marital and family therapy  
30 examination.

31 (b) A person may practice under a temporary license until the board issues the results

1 of the first marital and family therapy examination given after issuance of the person's temporary  
2 license and either issues or denies a license under AS 08.63.100 to the person.

3 (c) If a licensee under this section fails the marital and family therapy examination, the  
4 board may not renew the person's temporary license.

5 Sec. 08.63.140. LICENSURE BY CREDENTIALS. The board shall issue a license to  
6 practice marital and family therapy to a person who

7 (1) is licensed or certified for the practice of marital and family therapy in another  
8 state that has requirements for the license or certificate that are substantially equal to or greater  
9 than the requirements of this state; and

10 (2) meets the requirements of AS 08.63.100(a)(1), (2), and (3)(A).

11 ARTICLE 3. GENERAL PROVISIONS.

12 Sec. 08.63.200. CONFIDENTIALITY OF COMMUNICATION. (a) A person licensed  
13 under this chapter may not reveal to another person a communication made to the licensee by  
14 a client about a matter concerning which the client has employed the licensee in a professional  
15 capacity. This section does not apply to

16 (1) a case conference or case consultation with other mental health professionals  
17 at which the patient is not identified;

18 (2) the release of information that the client in writing authorized the licensee to  
19 reveal;

20 (3) information released to the board as part of a disciplinary or other proceeding;  
21 or

22 (4) situations where the rules of evidence applicable to the psychotherapist-patient  
23 privilege allow the release of the information.

24 (b) Notwithstanding (a) of this section, a person licensed under this chapter shall report  
25 incidents of

26 (1) child abuse or neglect as required by AS 47.17;

27 (2) harm or assaults suffered by an elderly person or disabled adult as required  
28 by AS 47.24.

29 (c) Information obtained by the board under (a)(3) of this section is confidential and is  
30 not a public record for purposes of AS 09.25.110 - 09.25.140.

31 Sec. 08.63.210. GROUNDS FOR IMPOSITION OF DISCIPLINARY SANCTIONS.

1 After a hearing, the board may impose a disciplinary sanction under AS 08.01.075 on a person  
2 licensed under this chapter when the board finds that the person

3 (1) secured a license through deceit, fraud, or intentional misrepresentation;  
4 (2) engaged in deceit, fraud, or intentional misrepresentation in the course of  
5 providing professional services or engaging in professional activities;

6 (3) advertised professional services in a false or misleading manner;  
7 (4) has been convicted of a felony or of another crime that affects the person's  
8 ability to practice competently and safely;

9 (5) failed to comply with a provision of this chapter or a regulation adopted under  
10 this chapter, or an order of the board;

11 (6) continued to practice after becoming unfit due to  
12 (A) professional incompetence;  
13 (B) addiction or severe dependency on alcohol or another drug that impairs  
14 the person's ability to practice safely;

15 (7) engaged in unethical conduct in connection with the delivery of professional  
16 services to clients.

17 Sec. 08.63.220. LICENSE REQUIRED IF DESIGNATION USED. A person who is not  
18 licensed under this chapter or whose license is suspended or revoked, or whose license has  
19 lapsed, who knowingly uses in connection with the person's name the words or letters  
20 "L.M.F.T.," "L.M.F.C.," "Licensed Marital and Family Therapist," "Licensed Marriage and  
21 Family Counselor," or other letters, words, or insignia indicating or implying that the person is  
22 licensed as a marital and family therapist by this state or who in any way, orally or in writing,  
23 directly or by implication, knowingly holds out as being licensed by the state as a marital and  
24 family therapist in this state is guilty of a class B misdemeanor.

25 Sec. 08.63.900. DEFINITIONS. In this chapter, unless the context indicates otherwise,  
26 (1) "advertise" includes issuing or causing to be distributed a card, sign or device  
27 to a person, or causing, permitting, or allowing a sign or marking on or in a building or structure,  
28 or in a newspaper, magazine, or directory, or on radio or television, or using other means  
29 designed to secure public attention;

30 (2) "board" means the Board of Marital and Family Therapy;

31 (3) "course" means a class of at least three credit hours in a graduate program at

1 an accredited educational institution or an institution approved by the board;

2 (4) "department" means the Department of Commerce and Economic  
3 Development;

4 (5) "practice of marital and family therapy" means the diagnosis and treatment  
5 of mental and emotional disorders that are referenced in the standard diagnostic nomenclature for  
6 marital and family therapy, whether cognitive, affective, or behavioral, within the context of  
7 human relationships, particularly marital and family systems; marital and family therapy involves

8 (A) the professional application of assessments and treatments of  
9 psychotherapeutic services to individuals, couples, and families for the purpose of treating  
10 the diagnosed emotional and mental disorders;

11 (B) an applied understanding of the dynamics of marital and family  
12 interactions, along with the application of psychotherapeutic and counseling techniques  
13 for the purpose of resolving intrapersonal and interpersonal conflict and changing  
14 perceptions, attitudes, and behaviors in the area of human relationships and family life;

15 (6) "supervision" means face-to-face consultation, direction, review, evaluation,  
16 and assessment of the practice of the person being supervised, including direct observation and  
17 the review of case presentations, audio tapes, and video tapes.

18 \* Sec. 2. AS 08.01.010 is amended by adding a new paragraph to read:

19 (33) Board of Marital and Family Therapy (AS 08.63.010).

20 \* Sec. 3. AS 08.02.010(a) is amended to read:

21 (a) An acupuncturist licensed under AS 08.06, an audiologist licensed under AS 08.11,  
22 a person licensed in the state as a chiropractor under AS 08.20, a dentist under AS 08.36, a  
23 marital and family therapist licensed under AS 08.63, a medical practitioner or osteopath  
24 under AS 08.64, a registered nurse under AS 08.68, an optometrist under AS 08.72, a registered  
25 pharmacist under AS 08.80, a physical therapist or occupational therapist licensed under AS 08.-  
26 84, a psychologist under AS 08.86, or a clinical social worker licensed under AS 08.95, shall use  
27 as professional identification appropriate letters or a title after that person's name which repre-  
28 sents that person's specific field of practice. The letters or title shall appear on all signs,  
29 stationery, or other advertising in which the person offers or displays personal professional  
30 services to the public. In addition, a person engaged in the practice of medicine or osteopathy  
31 under AS 08.64.380 or a person engaged in any manner in the healing arts who diagnoses, treats,

1 tests, or counsels other persons in relation to human health or disease and uses the letters "M.D."  
2 or the title "doctor" or "physician" or another title that tends to show that the person is willing  
3 or qualified to diagnose, treat, test, or counsel another person, shall clarify the letters or title by  
4 adding the appropriate specialist designation, if any, such as "dermatologist", "radiologist",  
5 "audiologist", "naturopath", or the like.

6 \* Sec. 4. AS 08.03.010(c) is amended by adding a new paragraph to read:

7 (25) Board of Marital and Family Therapy (AS 08.63.010) -- June 30, 1994.

8 \* Sec. 5. AS 44.62.330(a) is amended by adding a new paragraph to read:

9 (57) Board of Marital and Family Therapy (AS 08.63.010).

10 \* Sec. 6. AS 47.17.290(13) is amended to read:

11 (13) "practitioner of the healing arts" includes chiropractors, mental health  
12 counselors, dental hygienists, dentists, health aides, nurses, nurse practitioners, occupational  
13 therapists, occupational therapy assistants, optometrists, osteopaths, naturopaths, physical thera-  
14 pists, physical therapy assistants, physicians, physician's assistants, psychiatrists, psychologists,  
15 psychological associates, audiologists licensed under AS 08.11, hearing aid dealers licensed under  
16 AS 08.55, marital and family therapists licensed under AS 08.63, religious healing  
17 practitioners, acupuncturists, and surgeons;

18 \* Sec. 7. AS 47.24.010(a) is amended to read:

19 (a) The following persons who, in the performance of their professional duties, have  
20 reasonable cause to believe that an elderly person has suffered harm shall, not later than 24 hours  
21 after first having cause for the belief, report the harm to the Department of Health and Social  
22 Services:

23 (1) a physician or other licensed health care provider;

24 (2) a mental health professional as defined in AS 47.30.915(11) and including  
25 a marital and family therapist licensed under AS 08.63;

26 (3) a pharmacist;

27 (4) an administrator of a nursing home, residential care or health care facility;

28 (5) a guardian or conservator;

29 (6) a police officer;

30 (7) a village public safety officer;

31 (8) a village health aide;

- 1 (9) a social worker;  
2 (10) a member of the clergy;  
3 (11) a staff employee of a project funded by the Older Alaskans Commission;  
4 (12) an employee of a homemaker program or home health aide program;  
5 (13) an emergency medical technician or a paramedic in the mobile intensive care  
6 program.

7 \* Sec. 8. AS 47.24.110(a) is amended to read:

8 (a) The following persons who, in the performance of their professional duties, have  
9 reasonable cause to believe that a disabled adult is a victim of assault under AS 11.41.200 -  
10 11.41.230 or sexual assault under AS 11.41.410 - 11.41.420, and that the disabled adult is unable  
11 to report the crime, shall promptly report the crime to the nearest law enforcement agency:

- 12 (1) a physician or other licensed health care provider;  
13 (2) a mental health professional as defined in AS 47.30.915 and including a  
14 marital and family therapist licensed under AS 08.63;  
15 (3) a pharmacist;  
16 (4) an administrator or employee of a nursing home, residential care, or health  
17 care facility;  
18 (5) a caretaker of the disabled adult;  
19 (6) a guardian or conservator of the disabled adult;  
20 (7) a police officer as defined in AS 18.65.290;  
21 (8) a village public safety officer;  
22 (9) a village health aide;  
23 (10) a social worker;  
24 (11) a member of the clergy;  
25 (12) a staff employee of a program or project serving disabled adults;  
26 (13) a licensed foster care provider;  
27 (14) a paid employee of a domestic violence and sexual assault program or a  
28 crisis intervention and prevention program as defined in AS 18.66.900;  
29 (15) an employee of a homemaker program or home health aide program;  
30 (16) an emergency medical technician or paramedic in the mobile intensive care  
31 program.

1 \* Sec. 9. Alaska Rule of Evidence 504(a) is amended to read:

2 (a) DEFINITIONS. As used in this rule:

3 (1) A patient is a person who consults or is examined or interviewed by a  
4 physician or psychotherapist.

5 (2) A physician is a person authorized to practice medicine in any state or nation,  
6 or reasonably believed by the patient so to be.

7 (3) A psychotherapist is (A) a person authorized to practice medicine in any state  
8 or nation, or reasonably believed by the patient so to be, while engaged in the diagnosis or  
9 treatment of a mental or emotional condition, including alcohol or drug addiction, [OR] (B) a  
10 person licensed or certified as a psychologist or psychological examiner under the laws of any  
11 state or nation or reasonably believed by the patient to so be, while similarly engaged, or (C) a  
12 person licensed as a marital or family therapist under the laws of a state or nation or  
13 reasonably believed by the patient to so be, while similarly engaged.

14 (4) A communication is confidential if not intended to be disclosed to third  
15 persons other than those present to further the interest of the patient in the consultation,  
16 examination, or interview, or persons reasonably necessary for the transmission of the  
17 communication, or persons who are participating in the diagnosis and treatment under the  
18 direction of the physician or psychotherapist, including members of the patient's family.

19 \* Sec. 10. INITIAL APPOINTMENTS. (a) In making the initial appointments of professional  
20 members to the Board of Marital and Family Therapy, the governor shall consider a person licensed for  
21 the purpose of AS 08.63.010, added by sec. 1 of this Act, if the person would be entitled to a license  
22 under sec. 11 of this Act. The Board of Marital and Family Therapy shall issue a license to practice  
23 marital and family therapy to the professional members appointed under this section.

24 (b) A license issued under this section is subject to the same renewal requirements as a license  
25 issued under AS 08.63.100, added by sec. 1 of this Act.

26 (c) The initial appointments to the board shall be staggered as provided in AS 39.05.055.

27 \* Sec. 11. TRANSITIONAL LICENSING. (a) Notwithstanding AS 08.63.100, added by sec. 1 of  
28 this Act, the Board of Marital and Family Therapy shall issue a license to practice marital and family  
29 therapy to a person who

30 (1) applies for a license before July 1, 1992;

31 (2) satisfies the requirements of AS 08.63.100(a)(1) - (3)(A), added by sec. 1 of this Act;

1 (3) holds a master's or doctorate degree from an accredited educational institution either  
2 in

3 (A) marital and family therapy or another mental health field; or

4 (B) an appropriate course of study approved by the board; and

5 (4) has practiced marital and family therapy in the state for at least two years preceding  
6 application.

7 (b) A license under this section is subject to the same renewal requirements as a license issued  
8 under AS 08.63.100, added by sec. 1 of this Act.

9 (c) The Board of Marital and Family Therapy shall liberally construe the requirements of (a) of  
10 this section for the purposes of licensing as a marital and family therapy professional every person who  
11 merits licensing by virtue of the person's education, training, and experience in the field of marital and  
12 family therapy.

SENATE HESS COMMITTEE

AMENDMENT  
SENATE BILL 40

Accepted

Page 3, Line 1:

(i) (3 courses: 9 semester or 12 quarter hours) courses in marital and family therapy;

(ii) (3 courses: 9 semester or 12 quarter hours) courses in marital and family studies;

(iii) (3 courses: 9 semester or 12 quarter hours) courses in human development

(iv) (1 course: 3 semester or 4 quarter hours) in professional studies or professional ethics;

and (v) (1 course: 3 semester or 4 quarter hours) in research;

Adopted by Senate

A M E N D M E N T

OFFERED IN THE SENATE  
TO: CSSB 40(HES)

BY SENATOR ADAMS

A

Page 5, line 23:

Following "of"

Insert "(1)"

Following "AS 47.17"

Insert ";

(2) harm or assault suffered by an elderly person or disabled adult as required by  
AS 47.24"

A M E N D M E N T

OFFERED IN THE SENATE

TO: CSSB 40(HES)

BY SENATOR ADAMS

B

Page 8, following line 12:

Insert new bill sections to read:

\*\* Sec. 7. AS 47.24.010(a) is amended to read:

(a) The following persons who, in the performance of their professional duties, have reasonable cause to believe that an elderly person has suffered harm shall, not later than 24 hours after first having cause for the belief, report the harm to the Department of Health and Social Services:

- (1) a physician or other licensed health care provider;
- (2) a mental health professional as defined in AS 47.30.915(11) and including a marital and family therapist licensed under AS 08.63;
- (3) a pharmacist;
- (4) an administrator of a nursing home, residential care or health care facility;
- (5) a guardian or conservator;
- (6) a police officer;
- (7) a village public safety officer;
- (8) a village health aide;
- (9) a social worker;
- (10) a member of the clergy;
- (11) a staff employee of a project funded by the Older Alaskans Commission;
- (12) an employee of a homemaker program or home health aide program;
- (13) an emergency medical technician or a paramedic in the mobile intensive care program.

\* Sec. 8. AS 47.24.110(a) is amended to read:

(a) The following persons who, in the performance of their professional duties, have reasonable cause to believe that a disabled adult is a victim of assault under AS 11.41.200 -

11.41.230 or sexual assault under AS 11.41.410 - 11.41.420, and that the disabled adult is unable to report the crime, shall promptly report the crime to the nearest law enforcement agency:

- (1) a physician or other licensed health care provider;
- (2) a mental health professional as defined in AS 47.30.915 and including a marital and family therapist licensed under AS 08.63;
- (3) a pharmacist;
- (4) an administrator or employee of a nursing home, residential care, or health care facility;
- (5) a caretaker of the disabled adult;
- (6) a guardian or conservator of the disabled adult;
- (7) a police officer as defined in AS 18.65.290;
- (8) a village public safety officer;
- (9) a village health aide;
- (10) a social worker;
- (11) a member of the clergy;
- (12) a staff employee of a program or project serving disabled adults;
- (13) a licensed foster care provider;
- (14) a paid employee of a domestic violence and sexual assault program or a crisis intervention and prevention program as defined in AS 18.66.900;
- (15) an employee of a homemaker program or home health aide program;
- (16) an emergency medical technician or paramedic in the mobile intensive care program."

Renumber the following bill sections accordingly.

Page 9, line 3:

Delete "sec. 9"

Insert "sec. 11"

# Alaska State Legislature

3111 C Street, Suite 150  
Anchorage, Alaska 99503  
(907) 561-2038

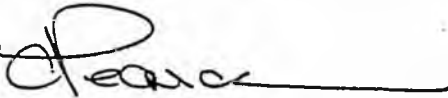


During Session:  
P.O. Box V  
Juneau, Alaska 99811  
(907) 465-4993

Senator Drue Pearce  
District G

## MEMORANDUM

TO: Representative Eileen Maclean, Co-Chair  
House Finance Committee

FROM: Senator Drue Pearce 

DATE: May 2, 1991

RE: Pending Referral hearing for SB 40, Marital and Family  
Therapists Regulation

Please consider scheduling CSSB 40 (FIN), An Act regulating the practice of marital and family therapy; amending Alaska Rule of Evidence 504(a)(3), for a hearing next week pending referral from the House Judiciary Committee.

Your committee heard the House companion bill, HB 18, sponsored by Representative Gruenberg, in April. You adopted a number of amendments which had been adopted in the Senate version. Attached are amendments that the Senate version adopted but the House did not. Please note the Senate fiscal note is lower than the House fiscal note.

As you know, CSSB 40 (FIN) establishes a five-member Board of Marital and Family Therapy to establish examination, training and education requirements for entry into the profession, and to issue licenses to qualified individuals. By providing these standards the public would be protected:

If CSSB 40 (HESS) does not become law this year, a disruption of services will occur for the clients of Alaskan marital and family therapists. These clients will no longer qualify for public assistance reimbursement due to changes in the Medicaid regulations that require licensed providers. It is important that CSSB 40 (HESS) be passed this session.

Due to the lateness in the session, I urge you to consider scheduling this bill for a hearing next week pending referral.

Please call me or Tally Johnson of my staff, if you have any questions.

Thank you.

DP:tej

Attachments

cc: Representative Mike Navarre, Co-Chair, House Finance



## Alaska Association for Marriage and Family Therapy

a division of The American Association for Marriage and Family Therapy, Inc.  
2550 Denali Street, Suite 905, Anchorage, Alaska 99503 (907) 272-2063

9 April 1991

Senator Jay Kerttula  
Senate Finance Committee  
Alaska State Senate  
P. O. Box V  
Juneau, Alaska 99811

Dear Senator Kerttula:

I am writing to urge you to vote favorably to pass SB 40, which would regulate marriage and family therapists in the State of Alaska. AkAMFT has worked for the enactment of this legislation for over ten years now. It is long overdue! As you know, psychiatrists, clinical psychologists, psychiatric nurses and clinical social workers are all presently licensed and regulated by the State of Alaska. SB40 will insure that the only other major mental health field -- marriage and family therapists -- are publicly regulated and licensed.

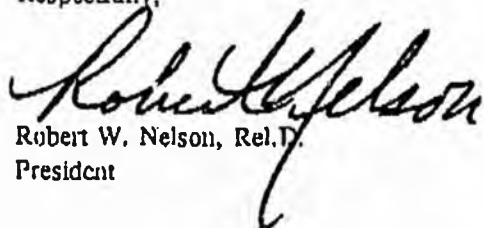
It is a terrible tragedy that when Alaska families and marriages are in trouble, under stress and most in need of the professional assistance of the very clinicians who are specialized to do marriage and family therapy there is no public regulatory agency and licensing standard to inform them about quality and basic standards. The Alaskan public has more quality checks on who will cut their hair that it does on who is qualified to provide therapeutic treatment for troubled families and marriages.

The American Association for Marriage and Family Therapy, of which our Alaska Division is a part, sets the standards nationwide in the field of marriage and family therapy. The academic, clinical, ethical and supervisory requirements to be a Clinical Member of AAMFT are written into SB 40 so as to insure that the Alaskan public will receive quality therapy and so that the State of Alaska meets national standards for the field.

Enclosed you will find a "Fact Sheet" which I would appreciate you reading prior to your committee's deliberations. In addition, if I can be of assistance in providing any further information to you and/or your committee regarding this legislation or its background, I do hope that you will call on me.

Again, thank you for considering SB 40. I thank you for your support in the past and I urge your support now.

Respectfully,

  
Robert W. Nelson, Rel.D.  
President

President Robert W. Nelson, Rel.D. ++ President-Elect Timothy Sander, M.Ed. ++ Secretary Sara Griffith, M.Ed.  
Treasurer Lowell Roddy, M.Ed. ++ Board Member Rhoda Vander Voort, M.A. ++ Board Member Philip S. Klees, Ph.D.  
Board Member Richard Stenbakken, M.A. ++ Student/Associate Representative to Board Martin Garrigues, M.S.

# FACT SHEET

## LICENSING MARRIAGE & FAMILY THERAPISTS

- ++ The Alaska Association for Marriage and Family Therapy (a division of the American Association for Marriage and Family Therapy which represents over 17,000 qualified marriage and family therapists in the United States, Canada and abroad) believes that licensure and regulation by the State, as the steward of the public cause, is one of the most effective vehicles to protect the public. AkAMFT advocates the licensure by the State of Alaska of all mental health professions.
  
- ++ There are six distinct and fully accredited mental health professions in Alaska: medical branch (including psychiatry & psychiatric nursing) and non-medical branch (including psychology, social work, marriage & family therapy, and mental health counseling). The only clearly defined clinical discipline not licensed and regulated by the State of Alaska is marriage & family therapy.
  
- ++ Marriage and family therapy has long been recognized by the Federal Government as a separate and distinct mental health discipline . . . not simply a part of psychiatry, psychology or social work.
  
- ++ Listed in the Sourcebook on Health Professions (published by the U.S. Dept. of Health Human Services, through the Health Resources and Services Administration)
  
- ++ The Public Health Service Act lists marriage and family therapy as separate and distinct for receiving training funds through the National Institute of Mental Health.
  
- ++ The U. S. Dept of Health, Education and Welfare have designated AAMFT's Commission on Accreditation as the sole national accrediting agency for graduate and post-degree educational and training programs in the field of marriage and family therapy.
  
- ++ CIAMPUS has clearly defined marriage and family therapy and qualified Clinical Members of AAMFT as providers.
  
- ++ Marriage and family therapists have been providers under Medicaid for many years.
  
- ++ Alaska needs to regulate and license marriage and family therapists. 22 States currently license and regulate marriage and family therapists . . . and an additional 22 States have licensure legislation before them.
  
- ++ All of the mental health professions "dispense strong medicine" . . . mental health interventions profoundly impact the individual or family at deep levels and in profound ways (for good or ill).
  
- ++ The State of Alaska exists to serve the people of Alaska and their needs and interests. (Some marriage and family therapists choose membership in the American Association for Marriage and Family Therapy. And, whereas Clinical Membership in AAMFT . . . much like other clinical professionals being a part of NASW, AMA or APA . . . set high standards for those who qualify and choose such membership, voluntary "certification" is no substitute for regulation by the State of Alaska.)
  
- ++ The State of Alaska holds the only possibility of responsibly and effectively regulating all mental health professions and thereby effectively closing many existing gaps that allow persons who are untrained and unqualified to identify themselves . . . and at the same time enable those who are highly trained, competent, and ethical in their practice to be identified as well.
  
- ++ Faced with marital or family stress, Alaskan families are not in optimum position to evaluate the stated credentials of persons holding themselves out as marriage and family therapists. But under such stress, they need the help of well-qualified therapists who are identified as such by State regulation. Licensing will provide Alaskan consumers with information about qualifications of professionals in the field, and they can then make more informed decisions based on objective criteria administered by a public body.

**++ There is a special danger in the mental health field: Persons holding themselves out to the public in misleading ways about their qualifications. It can be very lucrative to hang up a shingle or represent oneself as a "marriage and family therapist" regardless of training, clinical experience or supervision in the field. It has not been the intent of either the governor's office or the legislature to allow the Alaskan consumer to be exposed to unqualified, untrained and unsupervised treatment. It has rather been a result of limited awareness on the part of state officials regarding the profession of marriage and family therapy. But the result is the same.**

**++ The Division of Medical Assistance of the Alaska State Department of Health and Social Services, under federal mandate, is establishing new regulations for Medicaid in June 1991. Under the revised regulations, marriage and family therapists will be required to be licensed by the State of Alaska. The Division strongly supports licensing of marriage and family therapists as a means to ensure standards of care under Medicaid. Many marriage and family therapists presently provide therapy to Medicaid patients, maintaining AAMFT Clinical Membership and standards and carrying a high percentage of Medicaid caseloads for many years now. Such provider services will no longer be available to Alaskans. The proposed licensing legislation, if passed during this First Session of the Senevteenth Legislature and signed by the Governor will ensure that these services continue uninterrupted.**

**++ Because the function or practice of doing marriage and family therapy is not prohibited as such under the proposed legislation . . . other mental health therapists would continue to be able to work with couples and with families under their own respective State-approved licensing and regulating Statutes.**

**++ Under the proposed legislation, however, consumers would be able to clearly identify therapists who meet the qualifications to be a "Licensed Marriage and Family Therapist" (LMFT) or "Licensed Marriage and Family Counselor" (LMFC).**

**++ A growing number of mental health professionals have received specialized training in marriage and family therapy. Some of those may choose to seek licensure as "LMFT" or "LMFC" under the proposed legislation. A growing number of students in training are anticipating their primary area of work will be in the field of marriage and family therapy and will be seeking licensure under this legislation.**

+ + +

**++ Alaska has been in the vanguard of establishing social policy and maintaining progressive legislation in the field of alcohol treatment and general mental health care.**

+ + +

**++ Alaska must not be one of last States to establish clear-cut regulation of the profession of marriage and family therapy.**

+ + +

**++ Alaskan Medicaid patients must continue to be given the opportunity to choose marriage and family therapy as their choice of care.**

+ + +

**++ Alaskans must be allowed the opportunity to set public standards and regulate a clinical field that touches lives so profoundly.**

**++ Research as shown that marriage and family therapy is one of the most effective treatment approaches for many of the problems facing Alaska's families: family violence, substance abuse, delinquency and school problems, childhood and adolescent disorders, eating disorders, and marriage and families in trouble. (See: A Report of the Governor's Commission on Children and Youth, Our Greatest Natural Resource, Investing in the Future of Alaska's Children, January 1988).**



Aron S. Wolf, M.D., F.A.P.A. — President  
Theresa Turner, Administrator  
Randall Jones, M.A. — Vice President  
Helen Craig, M.S.W., A.C.S.W. — Secretary/Treasurer  
Gig McCarthy, M.D.  
Martin Atrops, Ph.D.  
John P. Crowley, Ph.D.  
Karen A. Sonlig, Psy.D.  
Nicki J. Nielsen, M.S.W., A.C.S.W.  
Donald Sparrow, M.S.W., A.C.S.W.  
Wendy Chase, M.S.W., A.C.S.W.  
Jackie T. Jeday, M.S.W., A.C.S.W.

May 8, 1991

Mr. Mike Navarre, Co-Chair  
Ms. Eileen McLean, Co-Chair  
House Finance Committee  
Alaska State Legislature  
P.O. Box V  
Juneau, Alaska 99811

Dear House Finance Committee:

We understand there are certainly more pressing issues at hand (State budget, etc.) however, we urge you to support the bill for licensure for Marriage and Family therapists, originally HB 18 (passed through the Senate as SB 40). Now we understand it is back in the House Finance Committee. We also understand it comes before the Committee with very few changes except it has a lower fiscal note. Your committee passed it through originally and we encourage you to do so again. We believe it to be in the best interest to the public and to the mental health profession by having well-trained and qualified professionals. In representing the clinic and myself, I thank you for your consideration.

Sincerely,

Randall G. Jones, M.A.  
Vice President

RGJ/cs

## FORUM

# State needs law regulating marital and family therapy

By REV. DIANNE O'CONNELL

We put labels on products in this country to protect the consumer. Such labeling, in the long run, also protects the provider from misunderstandings, at best, and lawsuits, at worst.

Sometimes the label promotes the positive side of the product, such as "for fast temporary relief of minor sore throat and mouth pain."

Sometimes the label warns against the negative side of the product, such as "Surgeon General's Warning: Smoking By Pregnant Women May Result in Fetal Injury, Premature Birth, and Low Birth Weight."

In both cases, it remains the prerogative of the consumer whether to purchase and/or use the product. Choices can be made between two similar products.

This "truth in packaging" concept can be transferred to less concrete products, such as spirituality and/or therapy or counseling.

The Alaska legislature is currently considering two bills: Committee Substitute for Senate Bill 40 and House Bill 18. Both would provide for the regulation of marital and family therapy in Alaska.

I support this legislation, although I am not a marriage and family therapist myself.

In fact, it is this non-therapist status that makes me concerned that persons offering therapeutic services be clearly labeled. I would rather know ahead of time from what perspective a potential care-giver is coming from than to have to shop around with no guidelines.

My fear also is that a couple seeking help for their personal or family relationships,



upon deciding that one therapist has not met their needs, will give up and believe "all therapists work alike." Not so.

There are six distinct and fully accredited mental health professions in Alaska: psychiatry and psychiatric nursing, social work, mental health counseling, and marriage and family therapy in the non-medical branch.

The only clearly defined clinical discipline not licensed and regulated by the state is marriage and family therapy.

All of the mental health professions "dispense strong medicine." Mental health intervention profoundly affects the individual or family at deep levels and in profound ways, for good or ill. Shouldn't we label these "medications" so that we know what we are taking before we take it?

Shouldn't we know what kind of training a potential therapist has had? Shouldn't we know that a potential therapist has the respect and support of other professionals in her or his field? Shouldn't we know that our potential therapist has kept current through participation in continuing education in her or his field?

The legislation I support would provide all of the above. It would mandate that a counselor using the label "Licensed Marital and Family Therapist" hold a master's

degree or doctorate in marital and family therapy, another mental health field, or the equivalent, from an accredited educational institution where he or she would have studied human development, ethics and law, research, marital and family studies and therapy, and would have had one year of supervised clinical practice in marital and family therapy.

There are additional clinical requirements, examination requirements and an application to a three-member board.

It should be quickly added, that this legislation would not prohibit counseling to persons and families by non-licensed caregiving individuals. We are not outlawing friends and grandmothers or local pastors and spiritual leaders.

In fact, some of us might prefer not to see a therapist with the training provided under this act. If so, the clear label "Marital and Family Therapist" warns us that a product is being dispensed here that we would prefer not to have.

But the product endorsed by the American Association for Marriage and Family Therapy and its local affiliates is a good one.

How does this product differ from other mental health products? The distinction is largely based on the assumption that if an individual is to change, the context in which he or she is living must change. The family is a complex set of relationships. When one relationship in the family changes, the others change as well.

Historically, marriage and family therapists have come from a wide variety of

educational backgrounds including psychology, psychiatry, social work, nursing, pastoral counseling and education. This diversity has enriched the field by bringing different perspectives to the problems of individuals and families.

Although marriage and family therapists come from varied backgrounds and use a wide variety of treatment methods and procedures, they generally share the following views:

- An individual's problems or difficulties need to be understood in the context of the family — both the nuclear family and the extended family. The second most important context is the community where the family lives.

- In general, the most effective and efficient way to help a person in need is to involve the other members of his or her family so that the family reinforces any program of change.

- To help an individual change, overcome a problem or learn to cope better, the family may need to change its patterns.

- The family's patterns may influence the problem, are usually affected by it, and need to be part of the solution.

- Persons interested in learning more about this approach to therapy or this legislation may contact the Alaska Association for Marriage and Family Therapy.

Dianne O'Connell is an ordained Presbyterian minister and chaplain at the Alaska Psychiatric Institute.

**SB 440**



# Alaska State Legislature

Sen. Pat Pourchot, Co-Chairman  
Sen. Jay Kerttula, Co-Chairman

Sen. Al Adams  
Sen. Jim Duncan  
Sen. Lyman F. Hoffman  
Sen. Dick Shultz  
Sen. Rick Uehling



P.O. Box V  
State Capitol  
Juneau, Alaska 99811

907-465-3712

## Senate Finance Committee

### SENATE FINANCE COMMITTEE LETTER OF INTENT

CSSB 40 (FIN)

"Regulating the practice of marital and family therapy."

The Senate Finance Committee is concerned that the license fees reflected in the fiscal note for CSSB 40 (FIN) of \$350 per year will only support the full program costs of the marital and family therapists board every other year unless licensees are forced to pay a prohibitively high annual fee.

This Committee encourages the prime sponsor and both the Governor and the Department of Commerce & Economic Development to make an effort in the next two years to combine the Marital and Family Therapy Board with other boards. We believe this would create administrative costs that can easily be covered by licensing fees each year.

---

Senator Jalmar Kerttula  
Co-Chair  
Senate Finance

---

Senator Pat Pourchot  
Co-Chair  
Senate Finance

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. CSSB 40 (HES)

Revision Date: \_\_\_\_\_ Department Affected: Commerce & Economic Dev.  
 Title: Regulating the practice of BRU: Occupational Licensing  
marital and family therapy.... Component: Administration  
 Sponsor: Senator Pearce  
 Requestor: Senate HESS COMPONENT SERIAL NO. 

0	3	5	6
---	---	---	---

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	3.6	3.6	3.6	3.6	3.6	3.6
TRAVEL	12.7	12.7	11.6	11.6	11.6	11.6
CONTRACTUAL	10.7	10.7	10.7	10.7	10.7	10.7
SUPPLIES	1.0	1.0	1.0	1.0	1.0	1.0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>28.0</b>	<b>28.0</b>	<b>26.9</b>	<b>26.9</b>	<b>26.9</b>	<b>26.9</b>

CAPITAL						
---------	--	--	--	--	--	--

REVENUE	28.0	0	28.0	0	28.0	0
---------	------	---	------	---	------	---

FUNDING: (Thousands of Dollars)

GENERAL FUND		28.0		26.9		26.9
FEDERAL FUNDS						
OTHER GF/PR	28.0	0	26.9	0	26.9	0
<b>TOTAL</b>	<b>28.0</b>	<b>28.0</b>	<b>26.9</b>	<b>26.9</b>	<b>26.9</b>	<b>26.9</b>

POSITIONS:

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

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.) CSSB 40 (HES) establishes a five-member Board of Marital and Family Therapy to establish examination, training and education requirements for entry into the profession, and to issue licenses to qualified individuals. Information on file indicates there are approximately 40 practitioners who would be affected by this legislation upon passage.

Prepared By: Jennifer Strickler, Admin. Officer Phone: 465-2144

Division: Occupational Licensing Date: April 15, 1991

Approved by Commissioner: Glenn A. Olds

Agency: Commerce & Economic Development Date: 4-15-91

Changes in CSSB 40 (Fin) reflect NO FISCAL CHANGE from the original fiscal note. This fiscal note is appropriate.

4/17/91  
date Comte Aide (initial)

CONTINUATION OF FISCAL NOTE ANALYSIS - CSSB 40 (HES)

This fiscal note represents the cost of licensing marital and family therapists with a five-member board and an estimate of forty (40) practitioners who would seek and qualify for licensure. Costs of the program are projected based on the number of licensees and mandates in the bill. Therefore, costs associated with the marital and family therapy licensing program are projected as follows:

Personal Services: \$ 3.6

To provide administrative staff support.

Travel: \$ 12.7

In FY 92, this funding will provide for two face-to-face meetings (one in Anchorage and one in Juneau), assuming two members are from the Anchorage area, two from Juneau, one from Fairbanks; and three division staff (Director, Licensing Examiner, and Regulations Specialist) to attend each meeting; and two additional meetings to be held by teleconference.

In FY 93, funding provides for three board meetings (two face-to-face and one by teleconference), and travel to administer the licensing examination in various locations throughout the State. (\$12.7)

In FY 94 forward, the licensing program will have been in operation for two years, and therefore, require fewer meetings to conduct its business. The number of board meetings is reduced to two meetings each year. This funding also provides for travel to administer the licensing examination in various locations. (\$11.6)

Contractual: \$ 10.7

This funding provides for printing, advertising, postage and communication costs.

Supplies: \$ 1.0

Funding will provide standard office supplies.

Grand Total: \$ 28.0

REVENUE:

The revenues are based on 40 practitioners paying a licensing fee of \$350 per year. Licenses are issued on a biennial cycle; therefore, revenues are doubled every other year ( $40 \times \$350 \times 2 = \$28,000$ ). As indicated, a license fee of \$350 per year (\$700 biennial), will support the costs of the licensing program in the first year.

Based on 40 practitioners, licensing fees will only be able to cover full program costs with a five-member board every other year unless licensees are willing to pay incredibly high annual licensing fees.

CS FOR SENATE BILL NO. 40 (FINANCE)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:  
Referred:

Sponsor(s): SENATORS PEARCE, Menard

A BILL

FOR AN ACT ENTITLED

1 "An Act regulating the practice of marital and family therapy and amending Alaska Rule  
2 of Evidence 504(a)(3)."

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

4 \* Section 1. AS 08 is amended by adding a new chapter to read:

5 CHAPTER 63. MARITAL AND FAMILY THERAPY.

6 ARTICLE 1. BOARD OF MARITAL AND FAMILY THERAPY.

7 Sec. 08.63.010. BOARD ESTABLISHED. (a) There is established the Board of Marital  
8 and Family Therapy.

9 (b) The board consists of three persons licensed under this chapter and two members of  
10 the public.

11 Sec. 08.63.020. BOARD APPOINTMENTS. The governor shall appoint the members  
12 of the board subject to confirmation by the legislature.

13 Sec. 08.63.030. MEETINGS. The board shall hold an annual meeting and may hold  
14 special meetings at the call of the chair or a majority of the board members.

1           Sec. 08.63.040. REMOVAL OF BOARD MEMBERS. The governor may only remove  
2 a member of the board for good cause.

3           Sec. 08.63.050. POWERS AND DUTIES OF THE BOARD. The board shall

4                   (1) establish objective examination requirements and training and education  
5 requirements for persons who apply for a license to practice marital and family therapy;

6                   (2) examine applicants and issue licenses to qualified applicants;

7                   (3) establish continuing education requirements for license renewal;

8                   (4) adopt a code of ethical practice for marital and family therapy;

9                   (5) hold hearings and order the disciplinary sanction of a person who violates this  
10 chapter or a regulation of the board;

11                   (6) ensure that licensees are aware of the requirements of AS 47.17.020;

12                   (7) establish standards for supervisors and supervision under this chapter;

13                   (8) report annually to the governor and the department on the board's proceedings  
14 each year; the report must include the number of licensure applicants, the number of  
15 examinations conducted, the failure rate for each examination, a financial report, and other  
16 information requested by the department;

17                   (9) enforce the provisions of this chapter and adopt regulations necessary to carry  
18 out its duties under this chapter.

19           Sec. 08.63.060. PROCEDURES. The Administrative Procedure Act (AS 44.62) applies  
20 to regulations and proceedings under this chapter.

21           ARTICLE 2. MARITAL AND FAMILY THERAPY LICENSES.

22           Sec. 08.63.100. QUALIFICATIONS FOR LICENSE TO PRACTICE. (a) The board  
23 shall issue a license to practice marital and family therapy to a person who

24                   (1) applies on a form provided by the board;

25                   (2) pays the fee established under AS 08.01.065;

26                   (3) furnishes evidence satisfactory to the board that the person

27                           (A) has not engaged in conduct that is a ground for imposing disciplinary  
28 sanctions under AS 08.63.210;

29                           (B) holds a master's degree or doctorate in marital and family therapy or  
30 allied mental health field from a regionally accredited educational institution approved by  
31 the board for which the person completed a course of study that included instruction

1 substantially equivalent to the following:

2 (i) three courses or nine semester or 12 quarter hours of course  
3 work in marital and family therapy;

4 (ii) three courses or nine semester or 12 quarter hours of course  
5 work in marital and family studies;

6 (iii) three courses or nine semester or 12 quarter hours of course  
7 work in human development;

8 (iv) one course or three semester or four quarter hours of course  
9 work in professional studies or professional ethics and law;

10 (v) one course or three semester or four quarter hours of course  
11 work in research; and

12 (vi) one year of supervised clinical practice in marital and family  
13 therapy;

14 (C) after receiving a degree described in (B) of this paragraph, has

15 (i) practiced marital and family therapy within three years of the  
16 person's application, including 1,500 hours of direct clinical contact with couples  
17 and families; and

18 (ii) been supervised in the clinical contact for at least 200 hours,  
19 including 100 hours of individual supervision and 100 hours of group supervision  
20 approved by the board;

21 (D) has received training related to domestic violence; and

22 (E) has passed a written or oral examination administered by the board.

23 (b) Under regulations adopted by the board, a person who holds a master's or doctorate  
24 degree in marital and family therapy or allied mental health field from a regionally accredited  
25 educational institution approved by the board, but whose course of degree study did not include  
26 all the courses or clinical practice requirements set out in (a)(3)(B) of this section may substitute  
27 post-degree courses or practice, as approved by the board, to satisfy the requirements of (a)(3)(B)  
28 of this section.

29 (c) An applicant who fails an examination given under this section may not retake the  
30 examination for a period of six months from the date of the examination that the applicant failed.

31 (d) A license issued under this section shall be renewed biennially by the applicant on

1 a date set by the department and approved by the board. It shall be renewed by payment of the  
2 fee established under AS 08.01.065 and by satisfaction of the continuing education requirements  
3 established by the board for the renewal of licenses issued under this section.

4 Sec. 08.63.110. LICENSE FOR SUPERVISED PRACTICE. (a) The board shall issue  
5 a four-year license for the supervised practice of marital and family therapy to a person who  
6 meets the requirements of AS 08.63.100(a)(1), (2), and (3)(A) - (B).

7 (b) A licensee under this section may practice only

8 (1) under the direct supervision of a supervisor approved by the board under  
9 AS 08.63.120; and

10 (2) in a clinic, social service agency, or other setting approved by the board.

11 (c) A license for supervised practice expires four years from the date of issuance and  
12 may not be renewed.

13 (d) A licensee under this section shall submit to the board for its approval a proposed  
14 plan for satisfying the supervision requirements of AS 08.63.100(a)(3)(C).

15 (e) A licensee under this section shall use the title "marital therapy associate," "family  
16 therapy associate," or other title that is approved by the board.

17 (f) The board shall revoke a license for supervised practice if the person fails the  
18 examination required under AS 08.63.100 two or more times.

19 Sec. 08.63.120. AUTHORIZED SUPERVISORS. (a) A person may not supervise a  
20 person under this chapter unless approved by the board to be a supervisor.

21 (b) A person who supervises a licensee under this section must

22 (1) have practiced marital and family therapy for five years;

23 (2) be licensed under this chapter; and

24 (3) meet the minimum standards established by the board for approved  
25 supervisors.

26 Sec. 08.63.130. TEMPORARY LICENSE FOR THE PRACTICE OF MARITAL AND  
27 FAMILY THERAPY. (a) The board shall issue a temporary license for the practice of marital  
28 and family therapy to an applicant who satisfies the requirements of AS 08.63.100(a)(1), (2) and  
29 (3)(A), (B), and (C) and has been approved by the board to take the marital and family therapy  
30 examination.

31 (b) A person may practice under a temporary license until the board issues the results

1 of the first marital and family therapy examination given after issuance of the person's temporary  
2 license and either issues or denies a license under AS 08.63.100 to the person.

3 (c) If a licensee under this section fails the marital and family therapy examination, the  
4 board may not renew the person's temporary license.

5 Sec. 08.63.140. LICENSURE BY CREDENTIALS. The board shall issue a license to  
6 practice marital and family therapy to a person who

7 (1) is licensed or certified for the practice of marital and family therapy in another  
8 state that has requirements for the license or certificate that are substantially equal to or greater  
9 than the requirements of this state; and

10 (2) meets the requirements of AS 08.63.100(a)(1), (2), and (3)(A).

11 ARTICLE 3. GENERAL PROVISIONS.

12 Sec. 08.63.200. CONFIDENTIALITY OF COMMUNICATION. (a) A person licensed  
13 under this chapter may not reveal to another person a communication made to the licensee by  
14 a client about a matter concerning which the client has employed the licensee in a professional  
15 capacity. This section does not apply to

16 (1) a case conference or case consultation with other mental health professionals  
17 at which the patient is not identified;

18 (2) the release of information that the client in writing authorized the licensee to  
19 reveal;

20 (3) information released to the board as part of a disciplinary or other proceeding;  
21 or

22 (4) situations where the rules of evidence applicable to the psychotherapist-patient  
23 privilege allow the release of the information.

24 (b) Notwithstanding (a) of this section, a person licensed under this chapter shall report  
25 incidents of

26 (1) child abuse or neglect as required by AS 47.17;

27 (2) harm or assaults suffered by an elderly person or disabled adult as required  
28 by AS 47.24.

29 (c) Information obtained by the board under (a)(3) of this section is confidential and is  
30 not a public record for purposes of AS 09.25.110 - 09.25.140.

31 Sec. 08.63.210. GROUNDS FOR IMPOSITION OF DISCIPLINARY SANCTIONS.

1 After a hearing, the board may impose a disciplinary sanction under AS 08.01.075 on a person  
2 licensed under this chapter when the board finds that the person

- 3 (1) secured a license through deceit, fraud, or intentional misrepresentation;
- 4 (2) engaged in deceit, fraud, or intentional misrepresentation in the course of  
5 providing professional services or engaging in professional activities;
- 6 (3) advertised professional services in a false or misleading manner;
- 7 (4) has been convicted of a felony or of another crime that affects the person's  
8 ability to practice competently and safely;
- 9 (5) failed to comply with a provision of this chapter or a regulation adopted under  
10 this chapter, or an order of the board;
- 11 (6) continued to practice after becoming unfit due to  
12 (A) professional incompetence;  
13 (B) addiction or severe dependency on alcohol or another drug that impairs  
14 the person's ability to practice safely;
- 15 (7) engaged in unethical conduct in connection with the delivery of professional  
16 services to clients.

17 Sec. 08.63.220. LICENSE REQUIRED IF DESIGNATION USED. A person who is not  
18 licensed under this chapter or whose license is suspended or revoked, or whose license has  
19 lapsed, who knowingly uses in connection with the person's name the words or letters  
20 "L.M.F.T.," "L.M.F.C.," "Licensed Marital and Family Therapist," "Licensed Marriage and  
21 Family Counselor," or other letters, words, or insignia indicating or implying that the person is  
22 licensed as a marital and family therapist in this state or who in any way, orally or in writing,  
23 directly or by implication, knowingly holds out as being licensed as a marital and family therapist  
24 in this state is guilty of a class B misdemeanor.

25 Sec. 08.63.900. DEFINITIONS. In this chapter, unless the context indicates otherwise,

- 26 (1) "advertise" includes issuing or causing to be distributed a card, sign or device  
27 to a person, or causing, permitting, or allowing a sign or marking on or in a building or structure,  
28 or in a newspaper, magazine, or directory, or on radio or television, or using other means  
29 designed to secure public attention;
- 30 (2) "board" means the Board of Marital and Family Therapy;
- 31 (3) "course" means a class of at least three credit hours in a graduate program at

1 an accredited educational institution or an institution approved by the board;

2 (4) "department" means the Department of Commerce and Economic  
3 Development;

4 (5) "practice of marital and family therapy" means the diagnosis and treatment  
5 of mental and emotional disorders that are referenced in the standard diagnostic nomenclature for  
6 marital and family therapy, whether cognitive, affective, or behavioral, within the context of  
7 human relationships, particularly marital and family systems; marital and family therapy involves

8 (A) the professional application of assessments and treatments of  
9 psychotherapeutic services to individuals, couples, and families for the purpose of treating  
10 the diagnosed emotional and mental disorders;

11 (B) an applied understanding of the dynamics of marital and family  
12 interactions, along with the application of psychotherapeutic and counseling techniques  
13 for the purpose of resolving intrapersonal and interpersonal conflict and changing  
14 perceptions, attitudes, and behaviors in the area of human relationships and family life;

15 (6) "supervision" means face-to-face consultation, direction, review, evaluation,  
16 and assessment of the practice of the person being supervised, including direct observation and  
17 the review of case presentations, audio tapes, and video tapes.

18 \* Sec. 2. AS 08.01.010 is amended by adding a new paragraph to read:

19 (33) Board of Marital and Family Therapy (AS 08.63.010).

20 \* Sec. 3. AS 08.02.010(a) is amended to read:

21 (a) An acupuncturist licensed under AS 08.06, an audiologist licensed under AS 08.11,  
22 a person licensed in the state as a chiropractor under AS 08.20, a dentist under AS 08.36, a  
23 marital and family therapist licensed under AS 08.63, a medical practitioner or osteopath  
24 under AS 08.64, a registered nurse under AS 08.68, an optometrist under AS 08.72, a registered  
25 pharmacist under AS 08.80, a physical therapist or occupational therapist licensed under AS 08.-  
26 84, a psychologist under AS 08.86, or a clinical social worker licensed under AS 08.95, shall use  
27 as professional identification appropriate letters or a title after that person's name which repre-  
28 sents that person's specific field of practice. The letters or title shall appear on all signs,  
29 stationery, or other advertising in which the person offers or displays personal professional  
30 services to the public. In addition, a person engaged in the practice of medicine or osteopathy  
31 under AS 08.64.380 or a person engaged in any manner in the healing arts who diagnoses, treats,

1 tests, or counsels other persons in relation to human health or disease and uses the letters "M.D."  
2 or the title "doctor" or "physician" or another title that tends to show that the person is willing  
3 or qualified to diagnose, treat, test, or counsel another person, shall clarify the letters or title by  
4 adding the appropriate specialist designation, if any, such as "dermatologist", "radiologist",  
5 "audiologist", "naturopath", or the like.

6 \* Sec. 4. AS 08.03.010(c) is amended by adding a new paragraph to read:

7 (25) Board of Marital and Family Therapy (AS 08.63.010) -- June 30, 1994.

8 \* Sec. 5. AS 44.62.330(a) is amended by adding a new paragraph to read:

9 (57) Board of Marital and Family Therapy (AS 08.63.010).

10 \* Sec. 6. AS 47.17.290(13) is amended to read:

11 (13) "practitioner of the healing arts" includes chiropractors, mental health  
12 counselors, dental hygienists, dentists, health aides, nurses, nurse practitioners, occupational  
13 therapists, occupational therapy assistants, optometrists, osteopaths, naturopaths, physical thera-  
14 pists, physical therapy assistants, physicians, physician's assistants, psychiatrists, psychologists,  
15 psychological associates, audiologists licensed under AS 08.11, hearing aid dealers licensed under  
16 AS 08.55, marital and family therapists licensed under AS 08.63, religious healing  
17 practitioners, acupuncturists, and surgeons;

18 \* Sec. 7. AS 47.24.010(a) is amended to read:

19 (a) The following persons who, in the performance of their professional duties, have  
20 reasonable cause to believe that an elderly person has suffered harm shall, not later than 24 hours  
21 after first having cause for the belief, report the harm to the Department of Health and Social  
22 Services:

23 (1) a physician or other licensed health care provider;

24 (2) a mental health professional as defined in AS 47.30.915(11) and including  
25 a marital and family therapist licensed under AS 08.63;

26 (3) a pharmacist;

27 (4) an administrator of a nursing home, residential care or health care facility;

28 (5) a guardian or conservator;

29 (6) a police officer;

30 (7) a village public safety officer;

31 (8) a village health aide;

- 1 (9) a social worker;
- 2 (10) a member of the clergy;
- 3 (11) a staff employee of a project funded by the Older Alaskans Commission;
- 4 (12) an employee of a homemaker program or home health aide program;
- 5 (13) an emergency medical technician or a paramedic in the mobile intensive care
- 6 program.

7 \* Sec. 8. AS 47.24.110(a) is amended to read:

8 (a) The following persons who, in the performance of their professional duties, have  
9 reasonable cause to believe that a disabled adult is a victim of assault under AS 11.41.200 -  
10 11.41.230 or sexual assault under AS 11.41.410 - 11.41.420, and that the disabled adult is unable  
11 to report the crime, shall promptly report the crime to the nearest law enforcement agency:

- 12 (1) a physician or other licensed health care provider;
- 13 (2) a mental health professional as defined in AS 47.30.915 and including a
- 14 marital and family therapist licensed under AS 08.63;
- 15 (2) a pharmacist;
- 16 (4) an administrator or employee of a nursing home, residential care, or health
- 17 care facility;
- 18 (5) a caretaker of the disabled adult;
- 19 (6) a guardian or conservator of the disabled adult;
- 20 (7) a police officer as defined in AS 18.65.290;
- 21 (8) a village public safety officer;
- 22 (9) a village health aide;
- 23 (10) a social worker;
- 24 (11) a member of the clergy;
- 25 (12) a staff employee of a program or project serving disabled adults;
- 26 (13) a licensed foster care provider;
- 27 (14) a paid employee of a domestic violence and sexual assault program or a
- 28 crisis intervention and prevention program as defined in AS 18.66.900;
- 29 (15) an employee of a homemaker program or home health aide program;
- 30 (16) an emergency medical technician or paramedic in the mobile intensive care
- 31 program.

L

1 \* Sec. 9. Alaska Rule of Evidence 504(a) is amended to read:

2 (a) DEFINITIONS. As used in this rule:

3 (1) A patient is a person who consults or is examined or interviewed by a  
4 physician or psychotherapist.

5 (2) A physician is a person authorized to practice medicine in any state or nation,  
6 or reasonably believed by the patient so to be.

7 (3) A psychotherapist is (A) a person authorized to practice medicine in any state  
8 or nation, or reasonably believed by the patient so to be, while engaged in the diagnosis or  
9 treatment of a mental or emotional condition, including alcohol or drug addiction, [OR] (B) a  
10 person licensed or certified as a psychologist or psychological examiner under the laws of any  
11 state or nation or reasonably believed by the patient to so be, while similarly engaged, or (C) a  
12 person licensed as a marital or family therapist under the laws of a state or nation or  
13 reasonably believed by the patient to so be, while similarly engaged.

14 (4) A communication is confidential if not intended to be disclosed to third  
15 persons other than those present to further the interest of the patient in the consultation,  
16 examination, or interview, or persons reasonably necessary for the transmission of the  
17 communication, or persons who are participating in the diagnosis and treatment under the  
18 direction of the physician or psychotherapist, including members of the patient's family.

19 \* Sec. 10. INITIAL APPOINTMENTS. (a) In making the initial appointments of professional  
20 members to the Board of Marital and Family Therapy, the governor shall consider a person licensed for  
21 the purpose of AS 08.63.010, added by sec. 1 of this Act, if the person would be entitled to a license  
22 under sec. 11 of this Act. The Board of Marital and Family Therapy shall issue a license to practice  
23 marital and family therapy to the professional members appointed under this section.

24 (b) A license issued under this section is subject to the same renewal requirements as a license  
25 issued under AS 08.63.100, added by sec. 1 of this Act.

26 (c) The initial appointments to the board shall be staggered as provided in AS 39.05.055.

27 \* Sec. 11. TRANSITIONAL LICENSING. (a) Notwithstanding AS 08.63.100, added by sec. 1 of  
28 this Act, the Board of Marital and Family Therapy shall issue a license to practice marital and family  
29 therapy to a person who

30 (1) applies for a license before July 1, 1992;

31 (2) satisfies the requirements of AS 08.63.100(a)(1) - (3)(A), added by sec. 1 of this Act;

1 (3) holds a master's or doctorate degree from an accredited educational institution either  
2 in  
3 (A) marital and family therapy or another mental health field; or  
4 (B) an appropriate course of study approved by the board; and  
5 (4) has practiced marital and family therapy in the state for at least two years preceding  
6 application.

7 (b) A license under this section is subject to the same renewal requirements as a license issued  
8 under AS 08.63.100, added by sec. 1 of this Act.

9 (c) The Board of Marital and Family Therapy shall liberally construe the requirements of (a) of  
10 this section for the purposes of licensing as a marital and family therapy professional every person who  
11 merits licensing by virtue of the person's education, training, and experience in the field of marital and  
12 family therapy.



FROM THE  
SENATE FINANCE COMMITTEE

---

DATE: 4/11/91  
TO: Lynn Barnes  
Legal Services  
FROM: Vicki (4935)  
SFC Room, 5th Floor  
(by US Flag)  
RE: CSB 40 (Finance)

Please run a WORK DRAFT of the above-referenced legislation, incorporating the amendments as noted, and deliver to me ASAP.

This legislation will be heard again tomorrow morning.

THANK!

*The 6 amendments are to the  
CS(HES), attached.*

*HAND DELIVERED - 12<sup>30</sup> P*

*Rec'd draft - 3<sup>40</sup>  
(handed to Susie)*

4/11/91  
ADOPTED  
By SFC  
[Signature]

# Alaska State Legislature

3111 C Street, Suite 150  
Anchorage, Alaska 99503  
(907) 561-2038



During Session:  
P.O. Box V  
Juneau, Alaska 99811  
(907) 465-4993

**Senator Drue Pearce**  
District G

## MEMORANDUM

TO: Senator Pat Pourchot, Co-Chair  
Senate Finance Committee

FROM: Senator Drue Pearce *DP by JCA*

DATE: April 10, 1991

RE: CSSB 40 (HESS) Amendments

CSSB 40 (HESS), Regulating the practice of marital and family therapy, is on the Senate Finance Committee calendar for Thursday, April 11th. I would like to offer the following amendments to the committee:

TO: CSSB 40 (HESS)

Amendment #:

Page 2, line 11, Insert a new paragraph to read:

"(6) ensure that licensees are aware of the requirement of AS 47.17.020;"

Reletter accordingly

Page 3, line 19: delete "and"

Page 3, line 20, Insert a new subparagraph to read:

"(D) has received training related to domestic violence; and"

Reletter accordingly.

Explanation: Amendment # requires the board to confirm that licensees are aware of the requirements of the child reporting procedures of AS 47.17.020. This amendment would also require the licensee to have past training in domestic violence.

This concern was brought forth by Cindy Smith, Executive Director of Alaska Network on Domestic Violence and Sexual Assault when she testified on HB 18. HB 18 contains this amendment. Their concern was marital and family therapists counsel people in family crisis. It is important that these counselors be trained to be aware that domestic violence is occurring within the family unit.

Amendment ~~2~~:

Page 2, line 29, Delete the words

"another mental health field, or the equivalent,"

Page 2, line 29, Insert preceding the word "from"

"or allied mental health field"

Page 3, line 22, Delete after the word "therapy,

", another mental health field, or its equivalent,"

Page 3, line 22, Insert after the word "therapy"

"or allied mental health field"

Explanation: Amendment ~~2~~ was suggested by the American Association for Marriage and Family Therapy. (See attached letter). Senator Sturgulewski, Chair of the Senate HESS Committee, had asked me to follow through with this concern that was brought out in her committee.

This amendment would close a loop hole in the language by requiring the licensee to hold at a minimum a master's degree instead of "the equivalent" to a master's degree. The American AMFT felt the present language would allow the board to approve for licensing an applicant who had taken courses and workshops which the board felt were equivalent to the work of a master's degree.

If you have any questions, please don't hesitate to call me or Tally Johnson of my staff.

DP:tej

Attachment

cc: Senator Arliss Sturgulewski, Chair, Senate HESS Committee

+ Amendment # 4 - Regionally Accredited

4/11/91

~~REDACTED~~  
~~REDACTED~~

~~REDACTED~~

OFFERED IN THE SENATE FINANCE COMMITTEE

BY SENATOR PEARCE  
4/11/91

TO: CSSB 40 (HESS)

Page 2, line 29, Insert after the words "from an"  
"regionally"

Page 3, line 22, Insert after the words "from an"  
"regionally accredited"

4/11/91

7-LS0180D.1  
Luckhaupt  
04/09/91

A M E N D M E N T

OFFERED IN THE SENATE  
TO: CSSB 40(HES)

BY SENATOR ADAMS  
A

Page 5, line 23:

Following "of"

Insert "(1)"

Following "AS 47.17"

Insert ";

(2) harm or assault suffered by an elderly person or disabled adult as required by  
AS 47.24"

A M E N D M E N T

OFFERED IN THE SENATE  
TO: CSSB 40(FIES)

BY SENATOR ADAMS  
B

Page 8, following line 12:

Insert new bill sections to read:

**\*\* Sec. 7. AS 47.24.010(a) is amended to read:**

(a) The following persons who, in the performance of their professional duties, have reasonable cause to believe that an elderly person has suffered harm shall, not later than 24 hours after first having cause for the belief, report the harm to the Department of Health and Social Services:

- (1) a physician or other licensed health care provider;
- (2) a mental health professional as defined in AS 47.30.915(11) and including a marital and family therapist licensed under AS 08.63;
- (3) a pharmacist;
- (4) an administrator of a nursing home, residential care or health care facility;
- (5) a guardian or conservator;
- (6) a police officer;
- (7) a village public safety officer;
- (8) a village health aide;
- (9) a social worker;
- (10) a member of the clergy;
- (11) a staff employee of a project funded by the Older Alaskans Commission;
- (12) an employee of a homemaker program or home health aide program;
- (13) an emergency medical technician or a paramedic in the mobile intensive care program.

**\* Sec. 8. AS 47.24.110(a) is amended to read:**

(a) The following persons who, in the performance of their professional duties, have reasonable cause to believe that a disabled adult is a victim of assault under AS 11.41.200 -

11.41.230 or sexual assault under AS 11.41.410 - 11.41.420, and that the disabled adult is unable to report the crime, shall promptly report the crime to the nearest law enforcement agency:

- (1) a physician or other licensed health care provider;
- (2) a mental health professional as defined in AS 47.30.915 **and including a marital and family therapist licensed under AS 08.63;**
- (3) a pharmacist;
- (4) an administrator or employee of a nursing home, residential care, or health care facility;
- (5) a caretaker of the disabled adult;
- (6) a guardian or conservator of the disabled adult;
- (7) a police officer as defined in AS 18.65.290;
- (8) a village public safety officer;
- (9) a village health aide;
- (10) a social worker;
- (11) a member of the clergy;
- (12) a staff employee of a program or project serving disabled adults;
- (13) a licensed foster care provider;
- (14) a paid employee of a domestic violence and sexual assault program or a crisis intervention and prevention program as defined in AS 18.66.900;
- (15) an employee of a homemaker program or home health aide program;
- (16) an emergency medical technician or paramedic in the mobile intensive care program."

Renumber the following bill sections accordingly.


Page 9, line 3:

Delete "sec. 9"

Insert "sec. 11"

OFFERED BY SENATOR PEARCE

4/17/91



SENATE FINANCE COMMITTEE  
LETTER OF INTENT

CSSB 40 (FIN)

"Regulating the practice of marital and family therapy."

The Senate Finance Committee is concerned that the license fees reflected in the fiscal note for CSSB 40 (FIN) of \$350 per year will only support the full program costs of the marital and family therapists board every other year unless licensees are forced to pay a prohibitively high annual fee.

This committee encourages the prime sponsor and both the Governor and the Department of Commerce & Economic Development to make an effort in the next two years to combine the Marital and Family Therapy Board with other boards. We believe this would create administrative costs that can easily be covered by licensing fees each year.

7-LS0180G ✓  
Luckhaupt  
4/11/91

*Adopted by*  
*SFC*  
*4-17-92*

**CS FOR SENATE BILL NO. 40 (FINANCE)**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**SEVENTEENTH LEGISLATURE - FIRST SESSION**

**BY THE SENATE FINANCE COMMITTEE**

Offered:  
Referred:

Sponsor(s): **SENATORS PEARCE, Menard**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act regulating the practice of marital and family therapy and amending Alaska Rule  
2 of Evidence 504(a)(3)."

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

4 \* Section 1. AS 08 is amended by adding a new chapter to read:

5 CHAPTER 63. MARITAL AND FAMILY THERAPY.

6 ARTICLE 1. BOARD OF MARITAL AND FAMILY THERAPY.

7 Sec. 08.63.010. BOARD ESTABLISHED. (a) There is established the Board of Marital  
8 and Family Therapy.

9 (b) The board consists of three persons licensed under this chapter and two members of  
10 the public.

11 Sec. 08:63.020. BOARD APPOINTMENTS. The governor shall appoint the members  
12 of the board subject to confirmation by the legislature.

13 Sec. 08.63.030. MEETINGS. The board shall hold an annual meeting and may hold  
14 special meetings at the call of the chair or a majority of the board members.

1           Sec. 08.63.040. REMOVAL OF BOARD MEMBERS. The governor may only remove  
2 a member of the board for good cause.

3           Sec. 08.63.050. POWERS AND DUTIES OF THE BOARD. The board shall

4                   (1) establish objective examination requirements and training and education  
5 requirements for persons who apply for a license to practice marital and family therapy;

6                   (2) examine applicants and issue licenses to qualified applicants;

7                   (3) establish continuing education requirements for license renewal;

8                   (4) adopt a code of ethical practice for marital and family therapy;

9                   (5) hold hearings and order the disciplinary sanction of a person who violates this  
10 chapter or a regulation of the board;

11                   (6) ensure that licensees are aware of the requirements of AS 47.17.020;

12                   (7) establish standards for supervisors and supervision under this chapter;

13                   (8) report annually to the governor and the department on the board's proceedings  
14 each year; the report must include the number of licensure applicants, the number of  
15 examinations conducted, the failure rate for each examination, a financial report, and other  
16 information requested by the department;

17                   (9) enforce the provisions of this chapter and adopt regulations necessary to carry  
18 out its duties under this chapter.

19           Sec. 08.63.060. PROCEDURES. The Administrative Procedure Act (AS 44.62) applies  
20 to regulations and proceedings under this chapter.

21           ARTICLE 2. MARITAL AND FAMILY THERAPY LICENSES.

22           Sec. 08.63.100. QUALIFICATIONS FOR LICENSE TO PRACTICE. (a) The board  
23 shall issue a license to practice marital and family therapy to a person who

24                   (1) applies on a form provided by the board;

25                   (2) pays the fee established under AS 08.01.065;

26                   (3) furnishes evidence satisfactory to the board that the person

27                           (A) has not engaged in conduct that is a ground for imposing disciplinary  
28 sanctions under AS 08.63.210;

29                           (B) holds a master's degree or doctorate in marital and family therapy or  
30 ANOTHER MENTAL HEALTH FIELD OR THE EQUIVALENT allied mental health field from a regionally accredited educational institution approved by  
31 the board for which the person completed a course of study that included instruction

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31

substantially equivalent to the following:

(i) three courses or nine semester or 12 quarter hours of course work in marital and family therapy;

(ii) three courses or nine semester or 12 quarter hours of course work in marital and family studies;

(iii) three courses or nine semester or 12 quarter hours of course work in human development;

(iv) one course or three semester or four quarter hours of course work in professional studies or professional ethics and law;

(v) one course or three semester or four quarter hours of course work in research; and

(vi) one year of supervised clinical practice in marital and family therapy;

(C) after receiving a degree described in (B) of this paragraph, has

(i) practiced marital and family therapy within three years of the person's application, including 1,500 hours of direct clinical contact with couples and families; and

(ii) been supervised in the clinical contact for at least 200 hours, including 100 hours of individual supervision and 100 hours of group supervision approved by the board; [AND]

(D) has received training related to domestic violence; and

(E) has passed a written or oral examination administered by the board.

(b) Under regulations adopted by the board, a person who holds a master's or doctorate degree in marital and family therapy or [ANOTHER MENTAL HEALTH FIELD, OR ITS allied mental health field from a regionally accredited educational institution approved by the board, but whose course of degree study did not include all the courses or clinical practice requirements set out in (a)(3)(B) of this section may substitute post-degree courses or practice, as approved by the board, to satisfy the requirements of (a)(3)(B) of this section.

(c) An applicant who fails an examination given under this section may not retake the examination for a period of six months from the date of the examination that the applicant failed.

(d) A license issued under this section shall be renewed biennially by the applicant on

EQUIVALENT,

1 a date set by the department and approved by the board. It shall be renewed by payment of the  
2 fee established under AS 08.01.065 and by satisfaction of the continuing education requirements  
3 established by the board for the renewal of licenses issued under this section.

4 Sec. 08.63.110. LICENSE FOR SUPERVISED PRACTICE. (a) The board shall issue  
5 a four-year license for the supervised practice of marital and family therapy to a person who  
6 meets the requirements of AS 08.63.100(a)(1), (2), and (3)(A) - (B).

7 (b) A licensee under this section may practice only

8 (1) under the direct supervision of a supervisor approved by the board under  
9 AS 08.63.120; and

10 (2) in a clinic, social service agency, or other setting approved by the board.

11 (c) A license for supervised practice expires four years from the date of issuance and  
12 may not be renewed.

13 (d) A licensee under this section shall submit to the board for its approval a proposed  
14 plan for satisfying the supervision requirements of AS 08.63.100(a)(3)(C).

15 (e) A licensee under this section shall use the title "marital therapy associate," "family  
16 therapy associate," or other title that is approved by the board.

17 (f) The board shall revoke a license for supervised practice if the person fails the  
18 examination required under AS 08.63.100 two or more times.

19 Sec. 08.63.120. AUTHORIZED SUPERVISORS. (a) A person may not supervise a  
20 person under this chapter unless approved by the board to be a supervisor.

21 (b) A person who supervises a licensee under this section must

22 (1) have practiced marital and family therapy for five years;

23 (2) be licensed under this chapter; and

24 (3) meet the minimum standards established by the board for approved  
25 supervisors.

26 Sec. 08.63.130. TEMPORARY LICENSE FOR THE PRACTICE OF MARITAL AND  
27 FAMILY THERAPY. (a) The board shall issue a temporary license for the practice of marital  
28 and family therapy to an applicant who satisfies the requirements of AS 08.63.100(a)(1), (2) and  
29 (3)(A), (B), and (C) and has been approved by the board to take the marital and family therapy  
30 examination.

31 (b) A person may practice under a temporary license until the board issues the results

1 of the first marital and family therapy examination given after issuance of the person's temporary  
2 license and either issues or denies a license under AS 08.63.100 to the person.

3 (c) If a licensee under this section fails the marital and family therapy examination, the  
4 board may not renew the person's temporary license.

5 Sec. 08.63.140. LICENSURE BY CREDENTIALS. The board shall issue a license to  
6 practice marital and family therapy to a person who

7 (1) is licensed or certified for the practice of marital and family therapy in another  
8 state that has requirements for the license or certificate that are substantially equal to or greater  
9 than the requirements of this state; and

10 (2) meets the requirements of AS 08.63.100(a)(1), (2), and (3)(A).

### 11 ARTICLE 3. GENERAL PROVISIONS.

12 Sec. 08.63.200. CONFIDENTIALITY OF COMMUNICATION. (a) A person licensed  
13 under this chapter may not reveal to another person a communication made to the licensee by  
14 a client about a matter concerning which the client has employed the licensee in a professional  
15 capacity. This section does not apply to

16 (1) a case conference or case consultation with other mental health professionals  
17 at which the patient is not identified;

18 (2) the release of information that the client in writing authorized the licensee to  
19 reveal;

20 (3) information released to the board as part of a disciplinary or other proceeding;  
21 or

22 (4) situations where the rules of evidence applicable to the psychotherapist-patient  
23 privilege allow the release of the information.

24 (b) Notwithstanding (a) of this section, a person licensed under this chapter shall report  
25 incidents of

26 (1) child abuse or neglect as required by AS 47.17;

27 (2) harm or assaults suffered by an elderly person or disabled adult as required  
28 by AS 47.24;

29 (c) Information obtained by the board under (a)(3) of this section is confidential and is  
30 not a public record for purposes of AS 09.25.110 - 09.25.140.

31 Sec. 08.63.210. GROUNDS FOR IMPOSITION OF DISCIPLINARY SANCTIONS.

1 After a hearing, the board may impose a disciplinary sanction under AS 08.01.075 on a person  
2 licensed under this chapter when the board finds that the person

- 3 (1) secured a license through deceit, fraud, or intentional misrepresentation;
- 4 (2) engaged in deceit, fraud, or intentional misrepresentation in the course of  
5 providing professional services or engaging in professional activities;
- 6 (3) advertised professional services in a false or misleading manner;
- 7 (4) has been convicted of a felony or of another crime that affects the person's  
8 ability to practice competently and safely;
- 9 (5) failed to comply with a provision of this chapter or a regulation adopted under  
10 this chapter, or an order of the board;
- 11 (6) continued to practice after becoming unfit due to  
12 (A) professional incompetence;  
13 (B) addiction or severe dependency on alcohol or another drug that impairs  
14 the person's ability to practice safely;
- 15 (7) engaged in unethical conduct in connection with the delivery of professional  
16 services to clients.

17 Sec. 08.63.220. LICENSE REQUIRED IF DESIGNATION USED. A person who is not  
18 licensed under this chapter or whose license is suspended or revoked, or whose license has  
19 lapsed, who knowingly uses in connection with the person's name the words or letters  
20 "L.M.F.T.," "L.M.F.C.," "Licensed Marital and Family Therapist," "Licensed Marriage and  
21 Family Counselor," or other letters, words, or insignia indicating or implying that the person is  
22 licensed as a marital and family therapist in this state or who in any way, orally or in writing,  
23 directly or by implication, knowingly holds out as being licensed as a marital and family therapist  
24 in this state is guilty of a class B misdemeanor.

25 Sec. 08.63.900. DEFINITIONS. In this chapter, unless the context indicates otherwise,  
26 (1) "advertise" includes issuing or causing to be distributed a card, sign or device  
27 to a person, or causing, permitting, or allowing a sign or marking on or in a building or structure,  
28 or in a newspaper, magazine, or directory, or on radio or television, or using other means  
29 designed to secure public attention;

- 30 (2) "board" means the Board of Marital and Family Therapy;
- 31 (3) "course" means a class of at least three credit hours in a graduate program at

1 an accredited educational institution or an institution approved by the board;

2 (4) "department" means the Department of Commerce and Economic  
3 Development;

4 (5) "practice of marital and family therapy" means the diagnosis and treatment  
5 of mental and emotional disorders that are referenced in the standard diagnostic nomenclature for  
6 marital and family therapy, whether cognitive, affective, or behavioral, within the context of  
7 human relationships, particularly marital and family systems; marital and family therapy involves

8 (A) the professional application of assessments and treatments of  
9 psychotherapeutic services to individuals, couples, and families for the purpose of treating  
10 the diagnosed emotional and mental disorders;

11 (B) an applied understanding of the dynamics of marital and family  
12 interactions, along with the application of psychotherapeutic and counseling techniques  
13 for the purpose of resolving intrapersonal and interpersonal conflict and changing  
14 perceptions, attitudes, and behaviors in the area of human relationships and family life;

15 (6) "supervision" means face-to-face consultation, direction, review, evaluation,  
16 and assessment of the practice of the person being supervised, including direct observation and  
17 the review of case presentations, audio tapes, and video tapes.

18 \* Sec. 2. AS 08.01.010 is amended by adding a new paragraph to read:

19 (33) Board of Marital and Family Therapy (AS 08.63.010).

20 \* Sec. 3. AS 08.02.010(a) is amended to read:

21 (a) An acupuncturist licensed under AS 08.06, an audiologist licensed under AS 08.11,  
22 a person licensed in the state as a chiropractor under AS 08.20, a dentist under AS 08.36, a  
23 marital and family therapist licensed under AS 08.63, a medical practitioner or osteopath  
24 under AS 08.64, a registered nurse under AS 08.68, an optometrist under AS 08.72, a registered  
25 pharmacist under AS 08.80, a physical therapist or occupational therapist licensed under AS 08.-  
26 84, a psychologist under AS 08.86, or a clinical social worker licensed under AS 08.95, shall use  
27 as professional identification appropriate letters or a title after that person's name which repre-  
28 sents that person's specific field of practice. The letters or title shall appear on all signs,  
29 stationery, or other advertising in which the person offers or displays personal professional  
30 services to the public. In addition, a person engaged in the practice of medicine or osteopathy  
31 under AS 08.64.380 or a person engaged in any manner in the healing arts who diagnoses, treats,