

ALASKA LEGISLATURE

2332

HOUSE and SENATE FINANCE COMMITTEE FILES,

2001 - 2002

RECEIVED

JAN 26 2001

Senate Finance
Committee

October 20, 2000

Members of the Legislative Budget
and Audit Committee:

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

DEPARTMENT OF COMMUNITY AND
ECONOMIC DEVELOPMENT
STATE BOARD OF REGISTRATION FOR
ARCHITECTS, ENGINEERS AND LAND SURVEYORS
SUNSET REVIEW

October 20, 2000

Audit Control Number
08-20001-00

This audit was conducted under the requirements of Alaska Statutes 44.66.050 and the authority of AS 24.20.271(1). In the report, we assess the operations and performance of the State Board of Registration for Architects, Engineers and Land Surveyors utilizing the criteria set out in AS 44.66.050(c). This statutory criteria is intended to be used to assess whether the activities of a given board, commission, council, agency, or program is effectively meeting a demonstrated public need.

Currently, under AS 08.03.010 (c)(3) the board is scheduled for termination on June 30, 2001. The board would be allowed one year from this date in which to conclude its affairs, if not extended by legislative action. We recommend that the legislature extend the board until June 30, 2005.

The audit was conducted in accordance with generally accepted government auditing standards using the criteria set out in AS 44.66.050(c). Fieldwork procedures utilized in the course of developing the findings and discussion presented in this report are discussed in the Objectives, Scope, and Methodology section of this report.

Pat Davidson, CPA
Legislative Auditor

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OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with the intent of Titles 24 and 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities of the State Board of Registration for Architects, Engineers, and Land Surveyors. As required by AS 44.66.050(a), the committee of reference shall consider this report during the legislative oversight process to determine whether the board should be reestablished. Currently, AS 08.03.010(c)(3) states that the board will terminate on June 30, 2001, and will have one year from that date to conclude its affairs.

Objectives

The objectives of our review were:

1. To determine if the termination date of the board should be extended.
2. To determine if the board is operating in the public's interest. The assessment of the operations and performance of the board, was based on criteria set out in AS 44.66.050(c). Criteria set out in this statute relate to the determination of a demonstrated public need for the board.

Scope and Methodology

Another auditor at our direction and supervision conducted a majority of this review. We followed professional standards to determine that the other auditor was independent and that their work was competent and sufficient.

Our audit reviewed the operations and activities of the State Board of Registration for Architects, Engineers, and Land Surveyors for the period of FY 98 through FY 00. During the course of our examination, we reviewed and evaluated the following:

1. Applicable statutes and regulations.
2. Compliance with statutes and regulations related to the licensing of architects, engineers, land surveyors, and landscape architects.
3. Minutes of meetings of the board.
4. Licensing and investigation files.
5. Complaints filed with the Division of Occupational Licensing and the Department of Law.
6. Office of the Ombudsman on-line closed case files.
7. Reading files maintained at the Division of Occupational Licensing.

8. Other documents deemed pertinent.

We also conducted interviews with employees of the Department of Community and Economic Development, Division of Occupational Licensing.

ORGANIZATION AND FUNCTION

The State Board of Registration for Architects, Engineers and Land Surveyors is a regulatory board consisting of 11 members appointed by the governor. The board consists of two civil engineers, two land surveyors, one mining engineer, one electrical or mechanical engineer, one engineer from another branch of the profession of engineering, two architects, one landscape architect,¹ and one public member.

Alaska Statute requires each board member to have been a resident in the State for three consecutive years immediately preceding an appointment.

Additionally, except for the public member and the non-voting landscape architect position, board members must be registered and have a minimum of five years of professional practice in their field.

Alaska Statutes 08.48.101 and 08.48.111 establish the powers of the board. They include:

1. Adopting regulations.
2. Describing the contents, conducting and establishing a minimum score for passing examinations.
3. Suspending, revoking, or refusing to issue or renew a license.
4. Issuing licenses to practice to architects, engineers, and land surveyors who meet standards of education and training determined to be necessary by the board.

Department of Community and Economic Development, Division of Occupational Licensing

¹In a non-statutory clause included in 1998 legislation providing for the licensing of landscape architects, the membership of the board was expanded, although the following provisions were attached. Section 31 of Chapter 47 of the 1998 session laws provided the following:

TEMPORARY BOARD MEMBER. After considering recommendations made by the Alaska chapter of the American Society of Landscape Architects, the governor shall appoint a landscape architect to the Board of Registration for Architects, Engineers, and Land Surveyors. The person appointed under this section:

- (1) must have been a resident in the state for three consecutive years immediately preceding appointment;*
- (2) serves in an advisory, nonvoting capacity on the board;*
- (3) is not entitled to receive state money for per diem or travel expenses for work as a board member;*
- (4) serves a term that expires June 30, 2001; and*
- (5) must be registered as a landscape architect).*

<p>STATE BOARD OF REGISTRATION FOR ARCHITECTS, ENGINEERS AND LAND SURVEYORS as of October 1, 2000</p> <p><u>Professional Members</u></p> <p>Daphne E. Brown, Chair, Architect Patricia Piersol, Architect Linda Cyra-Korsgaard, Landscape Architect Kathleen L. Gardner, Mechanical Engineer Donald J. Iverson, Electrical Engineer D. Lance Mearig, Civil Engineer Robert E. Miller, Civil Engineer Ernie Siemoneit, Mining Engineer Patrick H. Kalen, PLS – Land Surveyor Scott McLane, PLS – Land Surveyor</p> <p><u>Public Member</u></p> <p>Marcia R. Davis, Esq. Public Member</p>
--

The Department of Community and Economic Development, Division of Occupational Licensing provides administrative and investigative assistance to the State Board of Registration for Architects, Engineers, and Land Surveyors. Administrative assistance includes budgetary services and functions such as collecting fees, maintaining files, receiving and issuing application forms, and publishing notices of examinations and meetings.

Alaska Statute 08.01.065, mandates the department, with the concurrence of the board, adopt regulations to establish the amount and manner of payment of fees for applications, examinations, licenses, registration, permits, investigations, and all other fees as appropriate for the occupations covered by the statute.

Alaska Statute 08.01.087 empowers the Division of Occupational Licensing with the authority to conduct an investigation on its own initiative or in response to a complaint.

REPORT CONCLUSIONS

In our opinion, the State Board of Registration for Architects, Engineers, and Land Surveyors is operating in an efficient and effective manner and should continue to regulate architects, engineers, land surveyors and landscape architects. We believe the board is safeguarding the public interest by ensuring the competence and integrity of those who hold themselves out to the public as registered architects, engineers, land surveyors, and landscape architects.

The State Board of Registration for Architects, Engineers, and Land Surveyors has been found to serve a public purpose and has demonstrated an ability to conduct its business in a satisfactory manner. The board continues to propose changes to regulations to improve the effectiveness of the regulatory oversight provided for registered architects, engineers, land surveyors and landscape architects licensed in the State of Alaska. Existence of the board provides more assurance that the various professionals it oversees are competent, and promotes maintenance of the integrity of the professions involved.

Alaska Statute 08.03.010(c)(3) requires the State Board of Registration for Architects, Engineers, and Land Surveyors be terminated on June 30, 2001. Under AS 08.03.020, the board has a one-year period to administratively conclude its affairs. We recommend the legislature extend the board's termination date to June 30, 2005.

FINDINGS AND RECOMMENDATIONS

Recommendation No. 1

The legislature should consider revising statutes requiring continuing education for architects, engineers, and land surveyors.

Architects, engineers, and land surveyors overseen by the board currently are not required to obtain continuing education when renewing their licenses. This is contrast to most other licensed professionals in Alaska, who are required to demonstrate they are receiving continuing education in their field in order to maintain an awareness of the changes taking place in their profession.

Continuing professional education requirements do not provide absolute assurance of the competency of licensed professionals. Such requirements, however, provide reasonable assurance that the professional is at least keeping abreast with new developments and maintains an awareness of the changes taking place in their profession.

It is our understanding that the current board supports voluntary continuing professional education, but opposes making such instruction mandatory. The reasons behind the board's reluctance to mandate continuing education are twofold. A majority of the board favors fewer regulations for professional engineers, architects, and land surveyors as a matter of general principle. Other board members have expressed concerns that any requirements the State may adopt for continuing education may conflict with similar requirements of national organizations or other licensing jurisdictions. Such conflict may make it difficult for professionals to maintain membership in national organizations or relocate to other jurisdictions.

Many national organizations maintain continuing education requirements as a requirement for membership; however, there is no mandate that requires that licensees in the State of Alaska to maintain current affiliation with a national organization. As a result, there is no requirement in place that professional architects, engineers, and land surveyors keep abreast of current developments and maintain a minimum level of competency in their professional field.

Review of the continuing education requirements of other state boards and licensing jurisdictions indicates that the national trend is towards implementing and requiring continuing education. Sixteen states currently have minimum continuing education requirements for professional architects prior to renewal of their licenses, and another 12 states have recently considered or are considering legislation addressing continuing education requirements. Twenty-four states have mandatory continuing education requirements for professional engineers, and land surveyors for renewing their licenses.

The National Council of Examiners for Engineers and Surveyors (NCEES), has established guidelines for continuing education statutes and regulations for possible use by various state legislatures and licensing boards. Similarly, the American Institute of Architects (AIA) has established minimum guidelines for aiding licensing jurisdictions in their efforts to establish minimum continuing education requirements. Use of such guidelines in developing state requirements would promote consistency with other jurisdictions and not necessarily create an undue burden on professionals that choose to relocate from one jurisdiction to another.

We recommend that the legislature consider adopting appropriate statutes and the board regulations requiring that some level of continuing education be mandated.

Recommendation No. 2

The legislature should consider revising the structure of the State Board of Registration for Architects, Engineers, and Land Surveyors.

Mining engineers account for less than one percent (0.76%) of the board's total registrants. However, AS 08.48.011(b)² requires that the board's membership consists of 10 professionals, one of which must be a mining engineer. The board has supported legislation to alter the composition and eliminate the requirement for the mining engineer. The board has indicated on many occasions that it is often difficult to find a qualified mining engineer who is willing to fill the designated seat. This is due to the relatively few licensed mining engineers in the State.

We recommend that the legislature consider revising AS 08.48.011(b) to eliminate the specific requirement that a mining engineer be a member of the board. Such a change would not preclude a mining engineer from sitting on the board, since the statute currently allows for an engineer from any branch of the profession. The legislature may also want to consider the advisability of designating a board seat for a representative from the landscape architect profession. This profession, which came under the purview of the board in 1998 is currently represented by a non-voting, "temporary" board member.³

² The board consists of two civil engineers, two land surveyors, one mining engineer, one electrical or mechanical engineer, one engineer from another branch of the profession of engineering, two architects, and one public member.

³ The legislation establishing landscape architects under the board, did provide for a temporary board seat to represent the profession. The landscape architect representative served in an advisory, non-voting capacity, was not entitled to state funding for per diem or travel costs for board work, and had a term expiring June 30, 2001.

Recommendation No. 3

In order to improve statutory clarity, the legislature should consider amending the board's statutes related to licensure of architects by comity.

The current statutory requirement, AS 08.48.191(a), for licensure by comity or endorsement for architects is unclear and subject to challenge.

The statute reads as follows (with annotation added):

A person holding a certificate of registration authorizing the person to practice architecture in a state, territory, or possession of the United States, the District of Columbia, or a foreign country, or holding a certificate of qualification issued by the National Council of Architectural Registration Board, that, in the opinion of the board, meets the requirements of this chapter, based on verified evidence, may, upon application, be registered in accordance with the regulations of the board. [Emphasis added.]

The way the statute is currently worded is, in the view of the board, semantically unclear. Currently, the board requires National Council of Architectural Registration Board (NCARB) "blue book" certification, a nationally recognized standard for indicating that an applicant has met minimum technical knowledge qualifications for licensure. As a result of this interpretation, it is not currently possible for an architect registered out of state to be licensed in Alaska without NCARB certification. However, the board has been advised if an architect is registered in another jurisdiction but does not currently have the NCARB certification, they likely could be licensed if the board was ever challenged on its interpretation of this statute.

The board's current interpretation of the statute is not unreasonable. However, it is advisable to restructure the semantics of the statute in order to foreclose any future possible challenge. It does appear that the statute, as currently worded, could be successfully challenged.

We recommend that the legislature revise the wording of this statute to clarify the board's authority of requiring NCARB certification for licensure, and the extent to which the board shall be required to provide licensure to individuals without NCARB "blue book" certification. Deleting the current phrase from AS 08.48.191(a), "*holding a certificate of registration authorizing the person to practice architecture in a state, territory, or possession of the United States, the District of Columbia, or a foreign country, or . . .*" may avoid further confusion in this area.

ANALYSIS OF PUBLIC NEED

The following analysis of board activities relate to the "public need factors" set out in the "sunset" review law, AS 44.66.050. The italicized, shaded, and bold face phrases are taken from AS 44.66.050 (c) (1) – (9). These analyses are not intended to be comprehensive, but address those areas we were able to cover within the scope of our review.

Determine the extent to which the board, commissions, or program has operated in the public interest.

The board through its administration of the licensure of architects, engineers, land surveyors, and landscape architects, has endeavored to present competent professionals to the public. There is a public need for this board because of the professional expertise required to practice the various professions within its purview. The licensing of applicants who meet necessary qualifications is necessary to protect the public's safety, health, and welfare.

The board is responsible for adopting regulations to ensure only persons with the proper qualifications are admitted into the profession. The public needs the board to discipline, suspend, or revoke licenses of practitioners who have committed acts listed at AS 08.48.291 and AS 08.48.295. Licensees are required to stamp final drawings, specifications, surveys, plats, plates, reports, or similar documents with a seal bearing the registrant's name, registration number and the profession for which they are registered. By affixing this seal and signing the documents, the registrant certifies that these documents were prepared by or under the registrant's direct supervision, and that the registrant has met the minimum standards set to protect public safety, health, and welfare.

The board has established regulations governing its duties and licensure requirements, enforced the laws for issuing licenses in a uniform and consistent manner, held meetings, and administered examinations in accordance with statutory requirements.

Determine the extent to which the operations of the board, commission, or agency program has been impeded or enhanced by existing statutes, procedures, and practices, which it has adopted, and any other matter, including budgetary, resource, and personnel matters.

Over the last three complete fiscal years of operation (FY 98 – FY 00) the board met the statutory requirement that it meet at least four times during the year. Teleconferences were held to address board concerns between regularly scheduled quarterly meetings.

As discussed in the Findings and Recommendations section of this report, we have the following concerns about operations of the board:

1. Assurance of professional competency could be enhanced through the implementation of continuing education requirement for registrants. (See Recommendation No. 1.)

2. Consideration should be given to changing the composition of the board. (See Recommendation No. 2.)
3. Consider clarification of semantics of the statute related to licensure by comity and endorsement for architects. (See Recommendation No. 3.)

Determine the extent to which the board, commission, or agency has recommended statutory changes that are generally of benefit to the public interest.

A variety of changes have been made to the board's statutes and regulations over the past three years. The most significant changes have been:

1. Additional educational and experience requirements for engineers applying for licensure.
2. Verification of work experience for land surveyors.
3. Adoption of eligibility requirements for applicants to sit for the Fundamentals of Engineering examination.
4. The landscape architect profession became a profession within the purview of the board. The board has adopted regulations and has offered its first exam under the new regulations. The regulations are consistent with the current statutes for architects, engineers, and land surveyors and allows the board to regulate the profession with the same consistency and in the same manner in which it currently oversees the other license-holders under its purview.

Determine the extent to which the board, commission or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of services, economy of service, and availability of services that it has provided.

The location, date, and time of upcoming board meetings and notices of proposed changes in regulations are published in the *Anchorage Daily News*, the *Fairbanks Daily News-Miner* and the *Juneau Empire*. The board's meeting agenda sets aside adequate time for the board to take public comment. Minutes from the meetings of the board reflect public participation throughout the meeting. Proposed regulations are often circulated to those affected by the proposed regulations through professional trade journals, public notice advertisement, or direct mail correspondence from the Division of Occupational Licensing.

Determine the extent to which the board has encouraged public participation in the making of its regulations and decisions.

Public notice of proposed regulations are published in major newspapers. Meetings are adequately advertised, and time is set aside for public testimony. The board reviews all public correspondence at its meetings.

Determine the efficiency with which public inquiries or complaints regarding the activities of the board, commission, or agency filed with it, with the department to which a board or commission is administratively assigned, or with the office of the ombudsman have been processed and resolved;

During the past three fiscal years (FY 98 – FY 00) the Division of Occupational Licensing has received 97 complaints concerning persons licensed by the board. The division completed 68 investigations of the 97 complaints, and resolved 52 without board action. The resolutions involved 15 warning letters, 11 instances of voluntary compliance, 22 determinations of no violation, and four other administrative closures. The division also completed an additional 24 investigations from complaints received prior to FY 98.

For the 16 complaint investigations brought to the board, 9 involved final denial of a license to an aggrieved applicant; 6 board orders (referred to as "cease and desist" orders) to licensees to stop various activities; and, the revocation of 1 license.

Determine the extent to which the board regulates entry into an occupation or profession and whether it has presented qualified applicants to serve the public.

Listed below is a summary of new licenses and permits issued by the board for the period under review.

New Licenses and Permits Issued (Exclusive of Renewals)	FY 98	FY 99	FY 00	Total	Current as of June 30, 2000
Professional Engineers	194	147	231	572	3,933
Professional Architects	12	8	16	36	519
Professional Land Surveyors	6	12	-	18	630
Professional Landscape Architects	-	-	6	6	6
Corporate Authorizations	21	24	48	93	335

The board is statutorily responsible for the issuance of all licenses. A person may apply for licensure by examination or by using past performance records. Licensure using past performance records is more commonly referred to as licensure by comity. The application process for licensing appears reasonable and appropriate.

Determine the extent to which state personnel practices, including affirmative action requirements, have been complied with by the board to its own activities and the area of activity or interest.

The Office of the Ombudsman received no complaints regarding the Division of Occupational Licensing. We did not find any evidence that the board was not complying with the state personnel practices, including affirmative action in qualifying applicants. In no instances has the board denied an applicant a license based on personal attributes.

Determine the extent to which statutory, regulatory, budgeting or other changes are necessary to enable the board to better serve the interests of the public and to comply with the factors enumerated in this subsection.

Please refer to the Findings and Recommendations section of this report.

November 22, 2000

Legislative Budget and Audit Committee
Division of Legislative Audit
PO Box 113300
Juneau, AK 99811-3300

Dear Ms. Davidson,

Thank you for this opportunity to comment on the Preliminary Audit Report (#08-20001-00). We concur that the Board of Registration for Architects, Engineers and Land Surveyors should be continued through June 30, 2005. Our comments regarding the audit recommendations follow.

Recommendation No. 1. The legislature should consider revising statutes requiring continuing education for architects, engineers, and land surveyors.

The board discussed this recommendation at length during its November 16-17 meeting. The board supports continuing education requirement. The board and the division recommend amending the statutes so the board may, by regulation, require continuing education for license renewal. This amendment would allow the board to develop continuing education requirements that best serve the public. Flexible statutory authority would permit the board to adjust continuing education regulations when experience with the system demonstrated a need for change.

Recommendation No. 2. The legislature should consider revising the structure of the state Board of Registration for Architects, Engineers and Land Surveyors (BRAELS).

The percentage of Alaska engineers who are mining engineers is low. The board does not believe the relatively small number of mining engineers has made it difficult to fill the designated board seat. Several years ago the legislature considered removing the requirement that one of the five engineers on the board be a mining engineer, and the legislature decided not to make the change. The designation of board seats does not have to correlate to the percentage of licensees. The importance of competent mining engineering to sound state development may warrant a designated board seat.

Recommendation No. 3. In order to improve statutory clarity, the legislature should consider amending the board's statutes related to licensure of architects by comity.

The board has adopted regulations that address this issue. However, a statutory change may help clarify the law and reduce the potential for litigation.

Sincerely,

Catherine Reardon
Director

Alaska State Legislature

SENATOR
GENE THERRIAULT

Mailing Address:
119 N. Cushman, Suite 101
Fairbanks, Alaska 99701
(907) 488-0857
Fax: (907) 488-4271



Senate

RECEIVED
JAN 26 2001
Senate Finance
Committee

While in session
State Capitol
Juneau, Alaska
99801-1182
(907) 465-4797
Fax: (907) 465-3654

Senate District: C

Senate Bill 9

"An Act extending the termination date of the State Board of Registration for Architects, Engineers, and Land Surveyors."

Sponsor:

Senator Gene Therriault 

Sponsor Statement

Under AS 08.48.011 the State Board of Registration for Architects, Engineers, and Land Surveyors regulates the professions of registered architects, engineers, and land surveyors by ensuring that the requirements laid out for licensure are met and adhered to.

The Board consists of 10 members appointed by the governor having the qualifications as set out in AS 08.48.031. The board consists of two civil engineers, two land surveyors, one mining engineer, one electrical or mechanical engineer, one engineer from another branch of the profession of engineering, two architects, and one public member. Section 31, ch. 47, SLA 1995 provided for a landscape architect to sit as a temporary non-voting board member whose term is also set to expire June 30, 2001.

The regulation and licensing of qualified architects, engineers, and land surveyors safeguards the public by ensuring the competence and integrity of those who represent themselves as being registered architects, engineers, and land surveyors.

The Board of Registration for Architects, Engineers, and Land Surveyors is set to expire June 30, 2001 under AS 08.03.010, Termination of State Boards and Commissions. If the Legislature does not act to extend the Board, it would have one year, until June 30, 2002 to administratively conclude its affairs. Senate Bill 9 will extend the Board for another four years.

Subject: AELS Sunset Bill

Date: Wed, 17 Jan 2001 13:31:06 -0900

From: "Daphne Brown" <dbrown@kumin.alaska.com>

To: <Senator_Gene_Therriault@legis.state.ak.us>

CC: "Nancy Hemenway" <Nancy_Hemenway@dced.state.ak.us>, <Heather_Brown@legis.state.ak.us>

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JAN 26 2001

Senate Finance
Committee

Dear Senator Therriault;

I am writing as Chair of the State Board of Registration for Architects, Engineers and Land Surveyors (AELS) in support of extending the Board and the temporary Landscape Architect member. The board oversees the licensing of architects, engineers, land surveyors and landscape architects in the state in the interest of the public with respect to health safety and public welfare. We have recently begun licensing landscape architects and highly recommend the temporary landscape architect position be retained as a designated non-voting member of the board. This board member assists the remainder of the board in understanding the nuances of their profession in addition to helping develop applicable regulations.

We also request that the landscape architect board member be reimbursed for expenses when attending state board meetings or applicable national licensing board meetings. Presently the landscape architect board member's expenses are paid for by the local landscape architecture professional society. Since we as a board serve in the interest of the public and do not "represent" the individual professional societies, we firmly believe all the expenses related to board business should be paid for out of our budget and not contributed by the various professional groups.

If you have any questions, please do not hesitate to call. Thank you for your support.

Sincerely,

Daphne E. Brown, AIA
Chair AELS Board
Architect Member
907/272-8833 (v.k)
907/272-7733 (fax)
907/248-2980 (hm)



Alaska Professional Design Council
P.O. Box 103115, Anchorage, AK 99510-3115

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JAN 26 2001

Senate Finance
Committee

January 17, 2001

Heather Brakes
State Capitol
Juneau, Alaska 99801-1182

Subject: Legislative Recommendation:

Dear Ms. Brakes

We support the position forwarded to you by John Hargesheimer PE yesterday.

Copy Enclosed

His position will be posted in our news letter which will go out in about 10 days.

If you have any questions please feel free to call myself (907) 272-1405 or Sam Kito.

Thank you very much for your prompt work on this matter.

Sam Kito III
Chair
Legislative Liaison Committee

Jeffery Wilson
President
Alaska Professional Design Council

Member Societies

American Congress of Surveying and Mapping (ACSM) - American Society of Civil Engineers (ASCE)
Alaska Society of Professional Engineers (ASPE) - Alaska Society of Professional Land Surveyors (ASPLS)
American Institute of Architects (AIA) Alaska Chapter - Structural Engineers Association of Alaska (SEAA)
Architecture/Engineering Marketing Association of Alaska (A/EMAA) - Consulting Engineers Council of Alaska (CECA)
American Society of Landscape Architects (ASLA) Alaska Chapter - Professional Engineers in Private Practice (PEPP) Alaska Chapter



ENVIRONMENTAL & ENGINEERING CONSULTANTS

Ph: (907) 452-5688 Fax: (907) 452-5694 Email: Info@NortechEngr.com
2400 College Road Fairbanks, Alaska 99709

SENT BY TELEFAX

January 17, 2001

Senator Gene Therriault
Alaska State Capitol,
MS 3100
Juneau, AK 99801-1182

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JAN 26 2001
Senate Finance
Committee

RE: Senate Bill 9

Senator Therriault:

This letter is in support of Senate Bill 9, an Act extending the termination date of the State Board of Registration for Architects, Engineers, and Land Surveyors until June 30, 2005.

The board serves an important role in protecting the general public by licensing professional architects, engineers and land surveyors.

I trust this information is sufficient for your needs at the present time. If you have any additional questions feel free to contact me.

Sincerely
NORTECH

John Hargeshimer, PE, CIH, DEE
Principal & CEO



Tony Knowles, Governor

Alaska Department of Community and Economic Development

Division of Occupational Licensing

P.O. Box 110806, Juneau, AK 99811-0806

Telephone: (907) 465-2534 • Fax: (907) 465-2974 • Text Telephone: (907) 465-5437

Email: license@dced.state.ak.us • Website: www.dced.state.ak.us/occl

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November 22, 2000

Legislative Budget and Audit Committee
Division of Legislative Audit
PO Box 113300
Juneau, AK 99811-3300

Dear Ms. Davidson,

Thank you for this opportunity to comment on the Preliminary Audit Report (#08-20001-00). We concur that the Board of Registration for Architects, Engineers and Land Surveyors should be continued through June 30, 2005. Our comments regarding the audit recommendations follow.

Recommendation No. 1. The legislature should consider revising statutes requiring continuing education for architects, engineers, and land surveyors.

The board discussed this recommendation at length during its November 16-17 meeting. The board supports continuing education requirements. The board and the division recommend amending the statutes so the board may, by regulation, require continuing education for license renewal. This amendment would allow the board to develop continuing education requirements that best serve the public. Flexible statutory authority would permit the board to adjust continuing education regulations when experience with the system demonstrated a need for change.

Recommendation No. 2. The legislature should consider revising the structure of the state Board of Registration for Architects, Engineers and Land Surveyors (BRAELS).

The percentage of Alaska engineers who are mining engineers is low. The board does not believe the relatively small number of mining engineers has made it difficult to fill the designated board seat. Several years ago the legislature considered removing the requirement that one of the five engineers on the board be a mining engineer, and the legislature decided not to make the change. The designation of board seats does not have to correlate to the percentage of licensees. The importance of competent mining engineering to sound state development may warrant a designated board seat.

Recommendation No. 3. In order to improve statutory clarity, the legislature should consider amending the board's statutes related to licensure of architects by comity.

The board has adopted regulations that address this issue. However, a statutory change may help clarify the law and reduce the potential for litigation.

Sincerely,



Catherine Reardon
Director

"Promoting a healthy economy and strong communities"

ALASKA BOARD OF REGISTRATION FOR ARCHITECTS, ENGINEERS
AND LAND SURVEYORS

January 17, 2001

RECEIVED
JAN 26 2001
Senate Finance
Committee

Senator Gene Therriault
State Capitol
Juneau, AK 99801-1182

Dear Senator Therriault,

I am writing in support of SB 9, an Act extending the termination date of the State Board of Registration for Architects, Engineers, and Land Surveyors (AELS).

The AELS board supports extending the termination date of the AELS Board until June 30, 2005. Additionally, the board supports amending the bill to extend the temporary, non-voting Landscape Architect member until the next board sunset date of June 30, 2005, and to provide for the same travel reimbursement privileges as every other board member.

The enabling legislation to license landscape architects, HCS CSSB 110(Fin), passed the legislature in 1998 and became effective on August 20, 1998. Under the bill, landscape architects are required to become licensed and the bill added a temporary, non-voting board member to serve on the board. That temporary member's term expires on June 30, 2001.

The AELS board also supports amending the statutes so the board may, by regulation, require continuing education (CEU) for license renewal. Statutory authority to adopt continuing education regulations would allow the board to develop effective and appropriate requirements for each profession, and would provide registrants with sufficient lead time to comply with requirements.

Sincerely,



Daphne Brown, Chair



Alaska Professional Design Council
P.O. Box 103115, Anchorage, AK 99510-3115

January 28, 2001

Senator Gene Therriault
Alaska State Legislature
Capitol Room 121
Juneau, AK 99801

Re: CSSB 9 – Extending the sunset of the AELS board

Dear Senator Therriault,

APDC represents 5,000 registered design professionals, and with our newsletter and legislative outreach, we bring design issues to the forefront of the legislative process.

Thank you for introducing SB 9, an act extending the termination date of the State Board of Registration for Architects, Engineers, and Land Surveyors. We support the Labor & Commerce Committee Substitute for SB 9, which includes the amendment made on January 23rd, which matches the sunset of the temporary Landscape Architect position.

At this time, APDC does not support inclusion of the Legislative Audit recommendations for changes to AS 08. While the audit brought forward important issues, these issues are currently under review among our member groups, and we have not reached consensus.

Please let us know if there are any questions we can answer for you with respect to SB 9.

Sincerely,

Sam Kito III
Chair
Legislative Liaison Committee

Jeffery Wilson
President
Alaska Professional Design Council

Member Societies

American Congress of Surveying and Mapping (ACSM) - American Society of Civil Engineers (ASCE)
Alaska Society of Professional Engineers (ASPE) - Alaska Society of Professional Land Surveyors (ASPLS)
American Institute of Architects (AIA) Alaska Chapter - Structural Engineers Association of Alaska (SEAA)
Architecture Engineering Marketing Association of Alaska (AEMAA) - Consulting Engineers Council of Alaska (CECA)
American Society of Landscape Architects (ASLA) Alaska Chapter - Professional Engineers in Private Practice (PEPP) Alaska Chapter

SENATE FINANCE COMMITTEE

SIGN-IN

SB 9-EXTENDED BOARD OF ARCHITECTS ETC

NAME: Cathie Rardon Subject/Bill No: SB9
Co./Dept./Title: DCFED Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: AMY DAUGHERTY Subject/Bill No: SB9
Co./Dept./Title: lobbyst APDC Phone: 463-2568
Address: 327 W 11th # 2, Junoau Zip: 99801
Do you wish to testify? Yes No Respond To Questions ONLY IF NEEDED

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

SITE: FAIRBANKS LIO

COMMITTEE: SFIN

DATE: 2/2/01

SUBJECT OF MEETING:

SB9

UPDATE #: 1



PLEASE SIGN IN

PLEASE PRINT:

NAME

ADDRESS (MAILING & ZIP)

REPRESENTING

DO YOU WANT

TO TESTIFY?

Y or N

NAME	ADDRESS (MAILING & ZIP)	REPRESENTING	DO YOU WANT TO TESTIFY? Y or N
Mr. Pat Kalen			Y

SITE: ANCHORAGE LIO

COMMITTEE:
SENATE FINANCE
DATE: 2-2-01

SUBJECT OF MEETING:

SB9

UPDATE #:



PLEASE SIGN IN

PLEASE PRINT:

NAME

ADDRESS (MAILING & ZIP)

REPRESENTING

**DO YOU WANT
TO TESTIFY?
Y or N**

NAME	ADDRESS (MAILING & ZIP)	REPRESENTING	DO YOU WANT TO TESTIFY? Y or N
Dwayne Adams		ASLA	Y

SB

10

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

BILL NO. SB 10

Revision Date: _____
 Title: An Act extending the termination date of the
Board of Public Accountancy
 Sponsor: Senator Therriault
 Requester: _____

Dept. Affected DCED
 BRU Occupational Licensing
 Component Occupational Licensing
 Component Serial No. 2360

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
Personal Services	0.0	42.8	42.8	42.8	42.8	0.0
Travel		13.3	13.3	13.3	13.3	
Contractual		52.0	52.0	52.0	52.0	
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	108.1	108.1	108.1	108.1	0.0

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES []	0.0	108.1	108.1	108.1	108.1	0.0
------------------------	-----	-------	-------	-------	-------	-----

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other RSS		108.1	108.1	108.1	108.1	
TOTAL	0.0	108.1	108.1	108.1	108.1	0.0

Estimate of any current year (FY01) cost: _____


POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Failure to pass legislation would result in the Board's termination in FY03. Funding for FY02 is contained in the Management Plan.

Prepared by Rep. Eldon Mulder, Co-Chair  Phone 465-2647

Rep. Bill Williams, Co-Chair  Phone 465-3424

Date 2/14/01

Alaska State Legislature

SENATOR
GENE THERRIAULT

Mailing Address:
119 N. Cushman, Suite 101
Fairbanks, Alaska 99701
(907) 488-0857
Fax: (907) 488-4271



Senate

While in session
State Capitol
Juneau, Alaska
99801-1182
(907) 465-4797
Fax: (907) 465-3664
Senate District: C

Senate Bill 10

"An Act extending the termination date of the Board of Public Accountancy."

Sponsor:

Senator Gene Therriault

A handwritten signature in cursive script, appearing to read "Gene Therriault".

Sponsor Statement

Under AS 08.04.010 the State Board of Public Accountancy regulates the professions of certified public accountants and public accountants by ensuring that the requirements laid out for licensure are met and adhered to.

The Board consists of seven members appointed by the governor. Each member shall be a resident of this state for at least one year. Five members shall be certified public accountants or public accountants and two members shall be public members.

The regulation and licensing of qualified certified public accountants safeguards the public by ensuring the competence and integrity of those who represent themselves as being certified public accountants.

The State Board of Public Accountancy is set to expire June 30, 2001 under AS 08.03.010. Termination of State Boards and Commissions. If the Legislature does not act to extend the Board, it would have one year, until June 30, 2002 to administratively conclude its affairs. Senate Bill 10 will extend the Board for another four years.

Walsh Kelliher & Sharp

A Professional
Corporation



January 19, 2001

Certified Public
Accountants

Advisors
to Business

Senator Gene Therriault
State Capitol
Juneau, AK 99801-1182

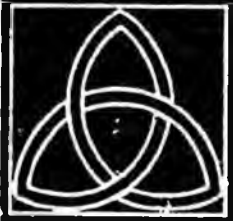
Dear Senator Therriault:

I am writing you in support of SB 10 which extends the termination date of the State Board of Public Accountancy to June 2005. I believe this board continues to serve the public interest by ensuring those licensed as Certified Public Accountants meet the qualifications specified in the statutes and regulations.

Please don't hesitate to contact me if you have any questions.

Best regards,

Michael M. Kelliher, CPA





ALASKA SOCIETY OF CPAs
341 W. TUDOR #105
ANCHORAGE, AK 99503
(907) 562-4334
800-478-4334
FAX (907) 562-4025

January 19, 2001

Senator Gene Therriault
State Capitol
Juneau, AK 99801-1182

Dear Senator Therriault:

As the current president of the Alaska Society of Certified Public Accountants, I am writing to you in support of SB 10 which extends the termination date of the State Board of Public Accountancy to June 30, 2005. This board is not only important to certified public accountants' throughout Alaska, but it is important to all Alaskans. The public has a vested interest in the reliability of financial information and that this financial information is presently fairly. The board meets the public interest by making sure that not only new applicants for licensure meet certain standards, but all of those licensed continue to meet standards in professional conduct and continuing education. The Board of Directors of the Alaska Society of Certified Public Accountants has asked me to contact you in support of SB 10.

If we can be of any further assistance, please don't hesitate to contact us.

Sincerely,

Michael M. Kelliher, CPA
President

October 20, 2000

Members of the Legislative Budget
and Audit Committee:

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

DEPARTMENT OF COMMUNITY AND
ECONOMIC DEVELOPMENT
STATE BOARD OF ACCOUNTANCY
SUNSET REVIEW

October 20, 2000

Audit Control Number

08-20000-00

This audit was conducted as required by AS 44.66.050 and under the authority of AS 24.20.271(1). Alaska Statute 44.66.050(c) lists criteria to be used to assess the demonstrated public need for a given board, commission, agency, or program subject to the sunset review process. Currently under AS 08.03.010(c)(1), the Board of Public Accountancy is scheduled to terminate on June 30, 2001. The board would be allowed one year in which to conclude its administrative affairs.

Article IX, Section 14 of the Alaska Constitution, requires that the position of Legislative Auditor be filled by a certified public accountant (CPA). Likewise, the professional staff at the Division of Legislative Audit are either licensed or are pursuing licensure as CPAs. Since the board is responsible for licensing and regulating CPAs, our agency may be perceived as not being independent. As required by generally accepted government auditing standards, we are disclosing this perceived lack of independence.

In our opinion, the Board of Public Accountancy should be reestablished. The regulation and licensure of public accountants is necessary to the protection of the public's welfare. We recommend the legislature extend the Board of Public Accountancy until June 30, 2005.

Except for the issue related to the independence standard discussed above, the audit was conducted in accordance with generally accepted government auditing standards. Fieldwork procedures utilized in the course of developing the findings and discussion presented in this report are set out on page one of this report.

Pat Davidson, CPA
Legislative Auditor

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OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with the intent of Titles 24 and 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities of the Board of Public Accountancy. As required by AS 44.66.050(a), the committee of reference shall consider this report during the legislative oversight process to determine whether the board should be reestablished. Currently, under AS 08.03.010(c)(1) the board will terminate on June 30, 2001, and will have one year from that date to conclude its affairs.

Objectives

There are two central, interrelated, objectives of our report. They are:

1. To determine if the termination date of the board should be extended.
2. To determine if the board is operating in the public's interest. The assessment of the operations and performance of the board, was based on criteria set out in AS 44.66.050(c). Criteria set out in this statute relate to the determination of a demonstrated public need for the board.

Scope and Methodology

Another auditor at our direction, and under our supervision, conducted a majority of this review. The auditor is subject to the licensing and regulatory oversight of the Board of Public Accountancy. We are satisfied that the contractor's work was competent and sufficient. However, the auditor, as is our agency,¹ is not independent as to the licensing and oversight of the board. Government audit standards require that any time the auditor is not independent, either in reality or perception, the "...impairment should be reported in the scope section of the audit report." This lack of perceived independence is so noted.

Our audit reviewed the operations and activities of the Board of Public Accountancy for the period of FY 98 through FY 00.

During the course of our examination, we reviewed and evaluated the following:

1. Compliance with statutes and regulations related to the certification of public accountants. Our evaluation addressed considerations of applications, testing of candidates, and continuing education necessary for an individual to maintain his/her license in good standing.
2. Minutes of meetings of the Board of Public Accountancy.

¹ Article IX, Section 14 of the Alaska Constitution, requires that the position of Legislative Auditor be filled by a certified public accountant (CPA). Likewise, the professional staff at the Division of Legislative Audit are either licensed or are pursuing licensure as CPAs. Since the board is responsible for licensing and regulating CPAs, our agency may be perceived as not being independent, under the requirements of generally accepted government auditing standards.

3. Annual reports issued by the board.
4. Complaints filed with the Division of Occupational Licensing and the Department of Law.
5. Office of the Ombudsman closed case file.
6. Other documents deemed pertinent.

We also conducted interviews with employees of the Division of Occupational Licensing within the Department of Community and Economic Development, and the chair of the Board of Public Accountancy.

ORGANIZATION AND FUNCTION

The Board of Public Accountancy is established under the authority of AS 08.04.010. The seven member board is appointed by the governor to four-year staggered terms.

Five of the members must be certified public accountants or public accountants currently licensed in the State of Alaska. Two members represent the general public. See the listing to the right for current board members.

The board is responsible for safeguarding the public interest by ensuring the competence and integrity of those who hold themselves out to the public as certified public accountants.

The board evaluates the qualifications of candidates, administers examinations, issues certificates and licenses to practice, promulgates rules of professional conduct, and takes disciplinary action.

The board is charged by statute with granting a certificate of "Certified Public Accountant" (CPA) to individuals at least 19 years of age and of good moral character that:

1. have satisfied the applicable education requirements;
2. have passed written examination requirements; and
3. have provided evidence of satisfactory work experience.

Department of Community and Economic Development, Division of Occupational Licensing

The Department of Community and Economic Development, Division of Occupational Licensing provides administrative and investigative assistance to the Board of Public Accountancy. Administrative assistance includes budgetary services and functions such as collecting fees, maintaining files, receiving and issuing application forms, and publishing notices of examinations and meetings.

Alaska Statute 08.01.065, mandates the department, with the concurrence of the board, adopt regulations to establish the amount and manner of payment of fees for applications, examinations, licenses, registration, permits, investigations, and all other fees as appropriate for the occupations covered by the statute.

Alaska Statute 08.01.087 empowers the Division of Occupational Licensing with the authority to conduct an investigation on its own initiative or in response to a complaint.

Board of Public Accountancy
as of October 1, 2000

Professional Members

Dean W. Nelson, Chair, CPA
Marjorie J. Kaiser, CPA
Steven R. Tarola, CPA
Sandra R. Wilson, CPA
Linda Thomas, CPA

Public Members

Kathleen B. Shreiber
Lottie C. Fleeks

REPORT CONCLUSIONS

In our opinion, the Board of Public Accountancy is operating in an efficient and effective manner and should continue to regulate certified public accountants and public accountants. We believe the board is safeguarding the public interest by ensuring the competence and integrity of those who hold themselves out to the public as certified public accountants or public accountants.

The Board of Public Accountancy has been found to serve a public purpose and has demonstrated an ability to conduct its business in a satisfactory manner. The board continues to propose changes to regulations to improve the effectiveness of the board and ensure that certified public accountants and public accountants licensed in the State of Alaska are competent and capable of maintaining the integrity of the profession.

Alaska Statute 08.03.010(c)(1) requires the Board of Public Accountancy be terminated on June 30, 2001. Under AS 08.03.020, the board has a one-year period to administratively conclude its affairs. We recommend the legislature extend the board's termination date to June 30, 2005.

FINDINGS AND RECOMMENDATIONS

Recommendation No. 1

The Board of Public Accountancy should revoke regulations specifying the continuing education requirements for practitioners who "vouch" for the experience of license applicants.

In order to be licensed as a certified public accountant (CPA) an applicant must work a minimum of 500 hours performing what is termed "the attest function." The attest function refers to a certain type of work a CPA must do in order to issue a formal opinion on a given set of financial statements. Such work is a specialty of CPAs, distinct from other types of work a CPA may do such as tax preparation, bookkeeping, and management advisory services. An applicant must work these hours under the direct supervision of an individual already licensed as a CPA.

Making distinctions between CPAs based on continuing education requirements is faulty

In November 1996, the board amended its regulations that placed additional requirements on the supervising CPA. The board adopted 12 AAC 04.183(e) which stated

Effective January 1, 1998, the board will only consider an applicant's work performing the attest function if the applicant gained the experience under the direct supervision of a certified public accountant who has completed a minimum of 24 hours of auditing and accounting continuing education during the calendar year immediately before supervising the applicant and during each calendar year after 1996 that the certified public accountant supervised the applicant. [Emphasis added.]

By adopting such a requirement the board effectively makes a distinction between licensed CPAs based on the nature and extent of their continuing professional education (CPE). Adoption of this regulation suggests that only practicing CPAs that have taken CPE related to auditing and accounting are permitted to act as supervisor and, accordingly, vouch for the hours worked by a CPA applicant performing the attest function. The board seems to be saying that it cannot rely on the "quality" of the attest function hours unless the supervising CPA has the right kind of continuing education hours.

By extension, if a CPA isn't qualified to supervise a CPA candidate, it implies the board should not allow such a CPA to offer their services to the public.

Reliance should be placed on quality control requirements for validity of attest experience

There are better alternative controls in place to assure the quality of an applicant's attest function hours. Since attest function hours are those related to the issuance of a formal opinion on a set of financial statements, the work of the supervising CPA, who vouches for the applicant, must satisfy other quality control regulations that must be followed by professionals issuing financial statement opinions.

Currently, a CPA must indicate on their license renewal application whether they "*issued a report on audited or reviewed financial statements*" – that is, performed the attest function – over the previous two years. If such a report was issued, then the CPA must certify that, within the last three years they had "*undergone a quality review that is acceptable to the board.*" The board then goes on to specify in regulation its requirements for an acceptable quality review. Accordingly, since all attest function experience was presumably gained on work subject to these quality review requirements, it seems this process provides more assurance such experience was appropriate and of sufficient quality than the nature of the supervisor's CPE.

We recommend that the Board of Public Accountancy revoke this licensing regulation, and place more reliance on the quality control program requirement that it has put in place for engagements being worked on by the supervising CPAs who are vouching for the attest function experience of license applicants.

Recommendation No. 2

The Board of Public Accountancy should exercise due care in licensing professionals.

Current state regulation at 12 AAC 04.181(a) and (b) requires that an applicant applying for license as a CPA earn at least a minimum number of what are termed "experience points." These points are awarded based on the applicant's educational and work experience background. Work related experience points must be earned by performing the attest function under the direct supervision of a CPA for the entire experience period.

An applicant was issued a license in January 1999 based on the work experience in a public accounting firm working directly under the supervision of a certified public accountant for the period of January 2, 1996 through January 2, 1999. The accountant that was named as the applicant's direct supervisor for the period, however, was not licensed as a CPA until October 1998. Under the requirements of 12 AAC 04.181 the applicant that applied for licensure is not qualified for licensure since the supervisor only had two months of experience as a CPA.

While the individual who applied for licensure in this instance may be qualified for licensure under the statutes and regulations of the State of Alaska, that qualification was not evident upon review of the applicant's file. We recommend that the Board of Public Accountancy revise its procedures related to issuing licenses to ensure that the supervising official

maintained a current CPA license for the entire supervisory period. This will ensure that future licenses are issued appropriately and in accordance with regulatory requirements.

Recommendation No. 3

The Office of the Governor should ensure that appointments to the board are made in a timely manner.

The Board of Public Accountancy is a seven-member board with two public members and five licensed CPAs appointed by the Office of the Governor.

State law requires vacancies on the board be filled within 60 days. Over the three-year period covered by this review, there were two vacancies that did not receive appointments for over nine months.

We recommend the Office of the Governor fill vacancies in accordance with statute.

ANALYSIS OF PUBLIC NEED

The following analysis of board activities relate to the "public need factors" set out in the "sunset" review law, AS 44.66.050. The *italicized, shaded, and bold face phrases* are taken from AS 44.66.050 (c) (1) – (9). These analyses are not intended to be comprehensive, but address those areas we were able to cover within the scope of our review.

Determine the extent to which the board, commissions, or program has operated in the public interest.

The Board of Public Accountancy has operated in the public interest. The board adopted or revised regulations regarding quality review of CPAs offering audit and review attestation services, cheating on the Uniform CPA examination, and continuing education requirements for applicants renewing their existing licenses.

The board has served the public by adopting quality review regulations² similar to those of other states. These are regulations the board originally considered in 1991 and tabled at that time due to logistics of implementation and concern from the professional community of the cost of implementation.

These regulations provide more assurance that Certified Public Accountants practicing in the State of Alaska and issuing attestation reports, independent audits and reviews, on financial statements are providing their audit and review services in accordance with American Institute of Certified Public Accountants (AICPA) guidelines regarding attestation services. The quality review program requires certified public accountants, who are providing audit and review services, to be reviewed in accordance with the American Institute of Certified Public Accountants standards regarding quality review audits.

In protecting the welfare of the public and ensuring a high level of professionalism, competence and moral character the board has served the public through its examination and licensing of qualified applicants. The board changed regulations involving applicants who are caught cheating on the Uniform CPA examination.³

The board has protected the public by ensuring that the State's practicing certified public accountants meet the continuing education requirements. The board adopted changes in the current regulations mandating that professionals obtain an additional eight hours of

² Alaska Statute 08.04.426 states that the board may by regulation require, on either a uniform or random basis, as a condition to issuance and renewal of permits under this chapter, that applicants undergo a quality review conducted in a manner the board may specify.

³ State regulation 12 AAC 04.235 states that if the board determines that an applicant has cheated on or breached security provisions of the examination for certified public accountant, the board will:

- (1) void the examination score;
- (2) prohibit the candidate from sitting for future examination;
- (3) refuse to issue a certificate or permit to that applicant based on that examination score; and
- (4) revoke or suspend a certificate or permit issued to that applicant based on that examination score.

continuing education when they fail to meet their continuing education requirements on the renewal date of their license.

Determine the extent to which the operations of the board, commission, or agency program has been impeded or enhanced by existing statutes, procedures, and practices, which it has adopted, and any other matter, including budgetary, resource, and personnel matters.

In 1998, legislation was adopted allowing the board to adopt additional disciplinary regulations for acts of cheating and other unauthorized acts related to the Uniform Certified Public Accountant Examination. This legislation ensures the continued ethical and moral character of future applicants applying for licensure in the State of Alaska.

In 1997, legislation was adopted establishing quality review requirements which became effective January 1, 1998. This legislation ensured that CPAs practicing in the State and issuing attestation reports on financial statements are providing their audit and review services in accordance with AICPA guidelines regarding attestation services. The quality review program requires CPAs, who are providing audit and review services, to be audited themselves in accordance with standards issued by AICPA.

Determine the extent to which the board, commission, or agency has recommended statutory changes that are generally of benefit to the public interest.

The board supported legislation, which was introduced in 1997 that expands the mandate of the board to effect disciplinary action on applicants suspected of cheating on the Uniform CPA examination. The legislation is consistent with the current statute for public accountancy and allows the board to regulate the profession with the same consistency and in the same manner in which it currently oversees the other license-holders and examination applicants under its purview. The legislation was adopted by the legislature in 1998.

The board supported additional legislation that was originally introduced in 1991 allowing the board to adopt quality review regulations. Other jurisdictions have similar quality review standards making this legislation consistent with not only current statutes and regulations, but other jurisdictions' statutes and regulations as well. These statutory provisions were adopted by the legislature in 1997.

Determine the extent to which the board, commission or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of services, economy of service, and availability of services that it has provided.

The location, date and time of upcoming board meetings and notices of proposed changes in regulations are published in the *Anchorage Daily News*, the *Fairbanks Daily News-Miner* and the *Juneau Empire*. The board's meeting agenda sets aside adequate time for the board to take public comment. Minutes of the board's meetings reflect public participation throughout the meeting. Proposed regulations are circulated to those affected by the proposed regulations

through professional trade journals, public notice advertisement, or direct mail correspondence from the Division of Occupational Licensing.

On one occasion the board failed to provide proper notice of a teleconference meeting. While the Division of Occupational Licensing initiated the purchase for advertising on November 22, 1999 (Monday) for a meeting being held on November 30, 1999 (Tuesday), the order did not arrive at any of the local newspapers in time to be published until November 27, 1999 (Saturday). This provided public notice of only one day. This is not sufficient under AS 08.01.050 or internal Division of Occupational Licensing policy. Additionally, there is only a record of the advertising in one publication. Publications of the notice should occur in all three major population centers of the State.

While the board properly noticed proposed changes in quality review standards for CPAs licensed in the State, many of the affected license holders did not receive notice of the formal regulatory change. As a result, the board issued a significant number of memorandums of agreement allowing practitioners to renew their licenses on the condition they meet the requirements of the regulations within a specified period.

Determine the extent to which the board has encouraged public participation in the making of its regulations and decisions.

Public notice of proposed regulations are published in major newspapers. Meetings, on an overall basis, are adequately advertised, and time is set aside for public testimony.

Major proposed regulation changes were circulated throughout the professional community by either direct response mailing to the affected license holders, or providing the proposed changes to the State's accounting organizations. Feedback resulted in changes to the proposed regulations addressing the profession's concerns. The Alaska Society of Certified Public Accountants has requested board support for legislation sought by the society.

Determine the efficiency with which public inquiries or complaints regarding the activities of the board, commission, or agency filed with it, with the department to which a board or commission is administratively assigned, or with the office of the ombudsman have been processed and resolved.

During the past three years (FY 98 through FY 00) the Division of Occupational Licensing opened up 28 investigative cases involving activities regulated by the Board of Public Accountancy. Of these 28 investigations, the division has completed and closed 27 cases.

Eight of these 27 cases were resolved by the division without involvement by the board – through the use of a warning letter, 4 instances of voluntary compliance, and 3 determinations of no violation.

For the 19 cases requiring board action, 15 involved the necessity of the practitioner involved to obtain a qualified peer review. The board closed 14 cases by directing the license holder to obtain a qualified peer review as required by regulation, and in the other instance determined that a peer review requirement was not applicable. In the other four cases the board: reinstated two licenses; denied one individual appealing the administrative denial of their license; and directed one licensee to obtain necessary continuing education while fining and reprimanding them. No licenses were revoked, suspended, or placed on probation.

Determine the extent to which the board regulates entry into an occupation or profession and whether it has presented qualified applicants to serve the public.

Listed below is a summary of new licenses and permits issued by the board for the period under review.

New Licenses and Permits Issued (Exclusive of Renewals)	FY 98	FY 99	FY 00	Total	Active as of June 30, 2000
Certified Public Accountants	48	49	51	148	766
Resident Partnerships, Corporations and Limited Liability Companies	5	7	8	20	85
Non-resident General Permits	3	5	4	12	11

Overall the application process for licensing appears reasonable and appropriate. The licensing process is neither unduly restrictive nor too lax. Continuing education is required and adequately monitored by the board to promote a high level of quality performance and to help ensure the integrity of the profession.

Each applicant is required to satisfy the requirements for licensing. Board meeting minutes reflect that the board considers each application and verifies the licensing requirements are satisfied prior to issuing a license.

Determine the extent to which state personnel practices, including affirmative action requirements, have been complied with by the board to its own activities and the area of activity or interest.

The Office of the Ombudsman received no complaints regarding the Division of Occupational Licensing or the Board of Public Accountancy. We did not find any evidence that the board was not complying with the state personnel practices, including affirmative action in qualifying applicants. In no instances has the board denied an applicant a license based on personal attributes.

Determine the extent to which statutory, regulatory, budgeting or other changes are necessary to enable the board to better serve the interest of the public and to comply with the factors enumerated in this subsection.

The board continues to recognize the need to evaluate the Americans with Disabilities Act, to determine its impact on the profession. The board will consider whether any statutory or regulatory changes are needed to ensure compliance.

The board, with the assistance of the American Institute of Certified Public Accountants and the National Association of State Boards of Accountancy (NASBA), recognized the need to evaluate and explore implementation of a "substantial equivalency" concept to simplify the licensing of applicants from other jurisdictions by reciprocity. This will allow certified public accountants to practice across state lines in states that meet Uniform Accountancy Act Standards.

The board recognized the need to evaluate standards to ensure that applicants for licensure are qualified and distinguish between qualification standards required of both public and non-public accountants. The board continues to evaluate the existence of business entities that provide public accounting services but are not CPA firms. The board may propose future regulations as needed based upon the actions of other state boards of accountancy and national organizations.

Nationally, the public accounting profession continually considers issues that may have an impact on industry standards. The board continues to be active in addressing these issues ensuring that certified public accountants licensed in the State of Alaska are represented.

November 22, 2000

Legislative Budget and Audit Committee
Division of Legislative Audit
PO Box 113300
Juneau, AK 99811-3300

Dear Ms. Davidson,

Thank you for this opportunity to comment on the Preliminary Audit Report (#08-20000-00). We concur that the Board of Public Accountancy should be continued through June 30, 2005.

Our comments regarding recommendations in the audit are as follows:

Recommendation No. 1. Board of Public Accountancy should revoke regulations specifying the continuing education requirements for practitioners who "vouch" for the experience of license applicants.

Through the chair, the board has stated that the intent of the regulation was to ensure that those who supervised candidates claiming attest hours were, in fact, currently informed of appropriate practices and standards. However, the board does understand the basic issue of the audit recommendation. The board chair stated the board is in the process of reviewing all forms for licensing and renewal, including the processes related thereto and will most certainly consider this recommendation as part of that process review.

Recommendation No. 2. The Board of Public Accountancy should exercise due care in licensing professionals.

The division and the board believe the board has exercised due care. The Board has, in fact, reviewed all candidates' applications using checklists and a second board member has reviewed the work. However, to improve the process, the board chair has stated the board will modify the application form to request of the Supervisory CPA the date of issuance of his or her license.

Recommendation No. 3. The Office of the Governor should ensure that appointments to the board are made in a timely manner.

Through its chair, the board has stated that the board will facilitate in any way possible in assisting the Office of the Governor in finding qualified board members, as need arises in the future.

Sincerely,

Catherine Reardon
Director

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 10
(S) Publish Date: 1/24/01

Revision Date/Time (Note if correction): 01/19/2001 3:30pm Dept. Affected: DCED
Title: An Act extending the termination date of the BRU: Occupational Licensing
Board of Public Accountancy. Component: Occupational Licensing
Sponsor: Senator Therriault
Requester: Senate Labor & Commerce Component Number: 2360

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005		
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0		

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

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0		

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The bill extends the Board of Public Accountancy to June 30, 2005. Funding for the board is included in the FY 2002 Operating Budget request and new funds are not required. For informational purposes, the attached page shows expenditure and revenue information for the last two fiscal years.

Prepared by: Jennifer Strickler, Administrative Manager Phone (907) 465-2144
Division: Occupational Licensing Date/Time 1/19/2001 3:30pm
Approved by: Commissioner, Deborah B. Sedwick Date 1/19/2001
Agency: Dept. of Community and Economic Development

For distribution information, call the Governor's Legislative Office

ANALYSIS: (continued)
SB 10: An Act extending the termination date of the Board of Public Accountancy
Page 2 of 2

<u>FY 1999 Expenditures</u>		<u>FY 2000 Expenditures</u>
Personal Services:		
Direct	32,189.06	42,786.55
Indirect	28,317.15	23,533.78
Travel:		
Direct	14,880.13	13,262.86
Indirect	400.01	223.89
Contractual Services:		
Direct	49,354.63	51,956.93
Indirect	15,818.07	15,629.16
Supplies:		
Direct	0.35	57.02
Indirect	1,999.85	1,335.18
Equipment		
Direct	0.00	0.00
Indirect	<u>1,428.07</u>	<u>589.29</u>
TOTAL:	144,387.32	149,374.66
REVENUE:	63,117.54	279,515.14

SB

11

SFIN

FILE

FISCAL NOTE

REPORTED OUT

FEB 28 2000

SENATE FINANCE
COMMITTEE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SB11
 (S) Publish Date: 4/28/01

Revision Date/Time (Note if correction): _____ Dept. Affected: Education & Early Dev.
 Title: An act relating to the legal age for BRU: k-12 Support
attending school... Component: Foundation Program
 Sponsor: Senator Therriault
 Requester: Senate HESS Component Number: 141

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	*	*	*	*	*	*
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	*	*	*	*	*	*
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY2001) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

AS 14.30.010 amends the compulsory age of a child entering school from age seven to age six.

* There maybe children six years old that are not attending public school. The Department of Education & Early Development has no data to project the potential cost to the foundation program.

Prepared by: Eddy Jeans, School Finance Manager Phone 8679
 Division: Education and Support Services Date/Time 2/5/01 12:00 AM
 Approved by: Bruce Johnson, Deputy Commissioner of Education Date 2/5/01
 Agency: Education & Early Development

For distribution information, call the Governor's Legislative Office

COMMITTEE CC:

SENATE FINANCE
COMMITTEE
Amendment Number: #2
Bill Number: SB 11
Sponsor: Leman Date: 2/24/02
Logged In By: Mindy
original

22-LS0266VA.1
Ford
2/22/02

AMENDMENT

OFFERED IN THE SENATE
TO: SB 11

BY SENATOR LEMAN

- 1 Page 1, line 1:
- 2 Delete "the legal age for attending school"
- 3 Insert "required school attendance"
- 4
- 5 Page 1, lines 4 - 10:
- 6 Delete all material and insert:
- 7 **** Section 1.** AS 14.30.010 is amended by adding a new subsection to read:
- 8 (c) If a parent, legal guardian, or other person having the responsibility for or
- 9 control of the child elects to enroll a child who is six years of age in first grade at a
- 10 public school, after enrollment, the child is subject to the provisions of (a) and (b) of
- 11 this section."
- 12
- 13 Page 1, line 11:
- 14 Delete "2001"
- 15 Insert "2002"

SENATE FINANCE COMMITTEE
2/17/2002 COMMITTEE ACTION

Bill Number	SB 11		
Amendment	#2		
Motion	adpt		
<u>Motion by</u>	Leman		
<u>Objection by</u>	Hoffman?		
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Austerman	✓		
Senator Green	✓		
Senator Hoffman			✓
Senator Leman	✓		
Senator Olson	✓		
Senator Ward	✓		
Senator Vanden	✓		
Co-Chair Jonley	✓		
Co-Chair Kelly	✓		
<u>Tally</u>			
Yea	8		
Nay	1		
Absent	-		
<u>MOTION</u>	PASS		

CS FOR SENATE BILL NO. 11(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATORS THERRIAULT, Davis

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to required school attendance; and providing for an effective date."**

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

3 * Section 1. AS 14.30.010(a) is amended by adding a new subsection to read:
included in error
correction to follow

4 (c) If a parent, legal guardian, or other person having the responsibility for or
5 control of the child elects to enroll a child who is six years of age in first grade at a
6 public school, after enrollment, the child is subject to the provisions of (a) and (b) of
7 this section.

8 * Sec. 2. This Act takes effect July 1, 2002.

CS FOR SENATE BILL NO. 11(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATORS THERRIAULT, Davis

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to required school attendance; and providing for an effective date."**

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

3 *Correction: deleted "(a)"*
4 *** Section 1.** AS 14.30.010 is amended by adding a new subsection to read:

5 (c) If a parent, legal guardian, or other person having the responsibility for or
6 control of the child elects to enroll a child who is six years of age in first grade at a
7 public school, after enrollment, the child is subject to the provisions of (a) and (b) of
8 this section.

*** Sec. 2.** This Act takes effect July 1, 2002.

NOT OFFERED

SENATE FINANCE
COMMITTEE #1
Amendment Number: _____
Bill Number: SB 11
Sponsor: Witken Date: 2/21/02
Logged In By: Mindy

22-LS0266A

Sponsored by:
Sen. Witken

SENATE BILL NO. 11

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY SENATORS THERRIAULT, Davis

Introduced: 1/8/01
Referred: Health, Education and Social Services, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the legal age for attending school; and providing for an effective
2 date."

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

4 * Section 1. AS 14.30.010(a) is amended to read:

5 (a) Every child between six [SEVEN] and 16 years of age shall attend school
6 at the public school in the district in which the child resides during each school term.
7 Every parent, guardian, or other person having the responsibility for or control of a
8 child between six [SEVEN] and 16 years of age shall maintain the child in attendance
9 at a public school in the district in which the child resides during the entire school
10 term, except as provided in (b) of this section.

11 * Sec. 2. This Act takes effect July 1, 2001.

Needs to be amended to July 1, 2002

Alaska State Legislature

SENATOR
GENE THERRIAULT

Mailing Address:
119 N. Cushman, Suite 101
Fairbanks, Alaska 99701
(907) 488-0857
Fax: (907) 488-4271



Senate

While in session
State Capitol
Juneau, Alaska
99801-1182
(907) 465-4797
Fax: (907) 465-3884

Senate District Q

REQUEST FOR HEARING

To: Senator Pete Kelly

Subject: SB 11

Sponsor: Senator Gene Therriault 

Date: February 12, 2002

I would like to respectfully request that SB 11 be scheduled for a hearing before the Senate Finance Committee at the committee's earliest convenience.

Senate Bill 11 lowers the mandatory age for school attendance from 7 years old to 6 years of age. SB 11 does not take away the parent's option of enrolling a child in public, private or home schooling. In addition to ensuring a child receives all the proven benefits of earlier education, SB 11 also addresses a problem created in the classroom when a parent enrolls his or her child in school at the age of 5 or 6 but only sends that child to school sporadically until required to do so by state law at age 7. Lowering the mandatory attendance age to 6 will both improve education opportunities for the student and minimize disruptions to the rest of the classroom.

Attached to this request are:

- o Letters of Support from:
 - o NEA-Alaska
 - o North Pole Elementary Principal David Pfrimmer
 - o Alaska Association of Elementary School Principals
 - o Teachers
- o Exemptions for allowed absences under current law

Probable supporters include teachers and school principals.

I would like to request a teleconference to the Fairbanks Legislative Information Office.
Thank you.

Alaska State Legislature

SENATOR
GENE THERRIAULT

Mailing Address:
119 N. Cushman, Suite 101
Fairbanks, Alaska 99701
(907) 488-0857
Fax: (907) 488-4271



Senate

While in session
State Capitol
Juneau, Alaska
99801-1182
(907) 465-4797
Fax: (907) 465-3884

Senate District Q

Senate Bill 11 "An Act relating to the legal age for attending school; and providing for an effective date."

Sponsor: Senator Gene Therriault

Sponsor Statement

Senate Bill 11 lowers the mandatory age for school attendance from 7 years old to 6 years old, requiring students to become involved in a formal educational setting at the age of six. SB 11 does not take away the parent's option of choosing public, private or home schooling. It also does not take away the option of enrolling a child in Kindergarten at age 5 or 6. Finally, it does not take away any of the exemptions for allowable absences currently provided under existing law.

Research indicates that earlier education is beneficial, and in fact most children in Alaska are enrolled by the age of 6. However, a small percentage of students who are enrolled do not actually attend on a regular basis because state law does not require attendance until age 7. So even though a six-year-old might be enrolled in school, he/she could miss unlimited number of days and still not be considered truant. This places a burden on teachers to keep that student up with the rest of the class and increases the potential for the student to be "held back."



NEA-ALASKA

Affiliated with the National Education Association

NEA-Alaska Position Paper Senate Bill 11

We appreciated Senator Gene Therriault and Senator Bettye Davis introducing SB 11 to lower the compulsory attendance age from seven to age 6. The earlier children are expected to attend school the sooner children will be exposed to opportunities from socialization to learning.

As schools work to implement new learning standards, exposing children to the opportunity to learn at an earlier age will strengthen the foundation upon which a child's learning career is built. The sooner children are exposed to opportunities to learn the sooner children can overcome obstacles to learning.

Most six-year old children, we believe, are enrolled in first grade, so SB 11's impact on facilities and personnel is not clear. Facilities in some school districts are already overcrowded, so additional enrollment may tax those systems even more. It is important that all children have access and are taught in facilities that contribute to learning and child development. Teachers and teaching supplies for children should be provided so students can take full advantage of the opportunity to learn at age 6.

NEA-Alaska supports mandatory kindergarten attendance at age five. Alaska schools are required to offer kindergarten but attendance is not required. Even though SB 11 does not establish mandatory kindergarten enrollment, requiring children to attend first grade at age 6 is a step in the right direction. Expecting children to attend one year sooner than is currently required offers a six-year-old student a greater opportunity to learn.

We commend the sponsors for introducing SB 11.

provided by: Senator Gene Therriault

>
> Here is one example of why the current statute is ineffective. Currently
> the Division of Youth and Family Services is supposed to pursue truancy
> in the state along with the School Districts and Boroughs. The
> Fairbanks North Star Borough pursues this as best they can given the
> limits they have. One of many cases this year is of a child who of five
> years old that missed 75 days of school last year due to the failure of
> the parent to get them to school. The child was five, Kindergarten was
> not mandatory so the parent felt no compulsion to meet the child's
> educational need. The only consequence was educational neglect and the
> there was nothing the Borough, D.F.Y.S. or School district could do to
> about it. Now at age six the child has missed 59 days of school. All
> pertinent information about parent contacts, absences and educational
> difficulties was turned over to the District Attorney by the School
> District only to be told that due to State law there was nothing that
> they could do until the law was amended/changed. Their hands are tied
> while this little girl's education and future is further neglected. We
> have discussed that at the State wide Principals conference and agreed
> that a change needs to happen a.s.a.p. The educational future of this
> young child and many like her depends on our ability to get these
> children into school and keep them there. Please do your part by
> changing this part of the state statute so we can better do our part for
> these children. Thank you.

>
> Sincerely Yours
>
> David Pfrimmer, Principal
> North Pole Elementary

Alaska Association of Elementary School Principals

Resolution 98-9

Supporting early childhood education and mandatory kindergarten in the State of Alaska.

Submitted by: Alaska Association of Elementary School Principals

WHEREAS research dealing with brain growth and development, along with longitudinal studies on the benefits of Head Start and other early childhood programs correlate with success in school; and

WHEREAS meeting the needs of young children (ages 0-6) has been noted by the Alaska Adolescent Health Committee to be a critical means of preventing problem behaviors among adolescents; and

WHEREAS pre-kindergarten and kindergarten programs provide an excellent opportunity for prevention of school failure; and

WHEREAS presently there is no Alaska State Statute requiring attendance in a kindergarten program by kindergarten-aged children; and

WHEREAS presently, not all five year olds in Alaska attend a kindergarten program;

BE IT THEREFORE RESOLVED that the Alaska Association of Elementary School Principals supports early childhood education and mandatory kindergarten in the state of Alaska.

BE IT FURTHER RESOLVED that the Alaska Association of Elementary School Principals supports full funding of a mandatory kindergarten as well as full funding of transportation to and from school for kindergarten students.

passed Oct '98

Subject: SB 11 Support

Date: Tue, 16 Jan 2001 15:04:24 -0900

From: Loyola McManus <aaesp@alaska.net>

To: Holly Morris <Holly_Morris@legis.state.ak.us>

Holly,

The Alaska Association Of Elementary School Principals would be in strong support of lowering the mandatory school age from 7 yrs. to 6 yrs. As you know, our Resolution 98-9 went even further by supporting "mandatory Kindergarten".

It is well known that strong reading skills are a tremendous asset in success in school. In fact much school failure can be traced to the lack of good reading skills. Students who start their formal education with their peers in Kindergarten (age 5) or at the latest First Grade (age 6) have a much better chance of developing the correct language and pre reading skills than those who do not arrive at school until age 7.

A student who first arrives at school at age 7 would be age appropriate for second graders. However academically s/he would most likely fit better with K or First graders. This can be a terrible dilemma for those involved in grade placement.

Do you place a child with others who are socially, physically, and emotionally at his/her level even though s/he will not be able to do the academic work, thus having the early experiences be those of failure?

Do you place a child where s/he fits academically even though s/he would feel s/he were with "babies", fostering negative peer interactions? Both cases would be damaging to the child.

If the mandatory starting age were changed to 6 years, it would be easier socially, physically, and emotionally to place him/her in Kindergarten or if s/he had some language background, to place in First grade without being so far behind.

We at AAESP expressed by our Resolution 98-9 that the very best would be to have all children start at age 5 in Kindergarten to assure an even start and provide strong language and reading development support. With the State focus on "benchmark testing" and the "exit exam" it would seem logical to require attendance at the age when the majority of children first begin their formal schooling.

Another problem with the current requirement of "age 7" is that when a family has truancy problems, a school can pursue the issue in court but may have to exclude the first grader because s/he is not yet 7 and thus "not required" to be in school. This does not help that child or that family develop good educational habits.

We commend Senator Therriault for proposing the lowering of the mandatory age for school attendance and as mentioned above would be pleased to see it go to 5 years of age so that all students start together.

Subject: Re: mandatory school agge

Date: Wed, 17 Jan 2001 16:13:06 -0900

From: Kathie Cook <kathie@northstar.k12.ak.us>

To: Holly Morris <Holly_Morris@legis.state.ak.us>

Glad to....

Last year we had a K child who has major language processing and learning needs. The family wasn't getting him to school....in Jan they withdrew him because "mom was having a tough time with the dark and the cold". He returned this year. Because he missed half of the year he was retained. Of course, the learning needs continue to be an issue. His attendance is better but like last year, starting to be a problem. Our problem...he won't be 7 until next year. No real legal way to enforce him coming to school but BOY!!! does he need to be here.

We are expecting more of our first graders academically. Those that start with first, skipping K (and there are only a few) are really at a disadvantage. Some folks just can't seem to get the daycare together to accommodate the 4.5 hour K schedule so that is why they typically don't do K.

Subject: Legislative Action

Date: 17 Jan 2001 08:41:03 -0900

From: "Marman_Meg" <marman_meg@msmail.asd.k12.ak.us>

To: "Morris Holly" <Holly_Morris@legis.state.ak.us>

I received information about a bill being introduced reducing the mandatory school age from 7 to 6 which I want to fully support. I'm presently a principal in Anchorage, but previously taught kindergarten for a number of years. It is essential that we provide a literacy rich environment for our young children at the earliest age possible. This is even more important if the children are living in lower socio-economic environments. Thank you for relaying this information to the appropriate people. Thanks. Meg

provided by:
Senator Gene Theriault

Exemptions for enrollment per AS 14.30.010(b)

Section (b) exempts the compulsory attendance age when a child:

- (1) is provided an academic education comparable to that offered by the public schools in the area, either by
 - (A) attendance at a private school with certified teachers;
 - (B) tutoring by certified personnel; or
 - (C) religious or private school attendance operated in compliance with AS 14.45.100-14.45.200;
- (2) attends a school operated by the federal government;
- (3) has a physical or mental condition that a competent medical authority determines will make attendance impractical;
- (4) is in the custody of a court or law enforcement authorities;
- (5) is temporarily ill or injured;
- (6) has been suspended or expelled under AS 14.03.160 or suspended or denied admittance under AS 14.30.045;
- (7) resides more than two miles from either a public school or a route on which transportation is provided by the school authorities, except that this paragraph does not apply if the child resides within two miles of a federal or private school that the child is eligible and able to attend;
- (8) is excused by action of the school board of the district at a regular meeting or by the district superintendent subject to approval by the school board of the district at the next regular meeting;
- (9) has completed the 12th grade;
- (10) is enrolled in
 - (A) a state boarding school established under AS 14.16; or
 - (B) a full-time program of correspondence study approved by the department, whether it is the district or the centralized correspondence program;
- (11) is equally well served by an educational experience approved by the school board as serving the child's educational interests despite an absence from school, and the request for excuse is made in writing by the child's parents or guardian and approved by the principal or administrator of the school that the child attends;
- (12) is being educated in the child's home by a parent or legal guardian.

**SENATE COMMITTEE REPORT
First Committee of Referral**

DATE: 1/8/01

FURTHER: Finance

Date of 5-Day Notice: 02/05/01
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 04/27/01

Health, Education and Social Services Committee considered SENATE BILL NO. 11

"An Act relating to the legal age for attending school; and providing for an effective date."

and recommends:

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

Senate Bill:

- same title
- new title

House Bill:

- same title
- technical title
- new: SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
DEED	2/5/01	*		1

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Bevyn Davys</i>	✓			
<i>John Ward</i>			✓	
<i>Brian D. Sullivan</i>		✓		
CHAIR: <i>Lyle Brier</i>			✓	

SB 11-COMPULSORY SCHOOL AGE
SENATE FINANCE COMMITTEE

SIGN-IN

NAME: Eddy Jeans Subject/Bill No: SB 11
Co./Dept./Title: School Finance Manager Phone: 8679
Address: EEO Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: Derroll Hargreaves Subject/Bill No: SB 11
Co./Dept./Title: ACSA Phone: 586-9702
Address: 326 Fourth St Suite 404 Zip: 99801

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

SB

16

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB16
(S) Publish Date: 1/23/01

Revision Date/Time (Note if correction): _____ Dept. Affected: DOT&PF
Title: "An Act regarding oil discharge prevention and cleanup....." BRU: Marine Highway System
Sponsor: House Rules by Request Component: Southeast & Southwest
Requester: House Transportation Component Number: 630 & 631

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual		29.0	23.5	23.5	23.5	23.5
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	29.0	23.5	23.5	23.5	23.5

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

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other: Oil Spill Response Fund		29.0	23.5	23.5	23.5	23.5
TOTAL	0.0	29.0	23.5	23.5	23.5	23.5

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

SEE ATTACHED

Prepared by: Dennis Poshard, Special Assistant to the Commissioner Phone 465-3904
Division: Office of the Commissioner Date/Time: 1/22/01 12:16 PM
Approved by: Commissioner Date: 1/22/01
Agency: Joseph L. Perkins, DOT&PF

For distribution information, call the Governor's Legislative Office

#1

ANALYSIS: (continued)

Department of Transportation and Public Facilities

Fiscal Note Analysis

SB 16

January 22, 2001

"An Act regarding oil discharge prevention and cleanup involving self-propelled nontank vessels..."

This bill would require the department to have in place approved oil discharge and contingency plans for its' Marine Highway System vessels. The contingency plans would require the department to contract with organizations that are oil spill primary response action contractors. The primary cost to the department would be these contracts.

The estimated costs of these contracts are as follow:

For Vessels in Southeast Alaska,

\$3,500 annual membership fee + \$4,000 per year based on projected fleet configuration for a total of \$7,500.

For Vessels in Southwest Alaska,

\$5,500 one-time initiation fee + \$16,000 per year based on projected fleet configuration

Total cost would be \$29,000 the first year and \$23,500 the following years.

We assume in our fiscal note the contingency plans and contracts would not be required until FY 03. Once this bill is passed, regulations must be adopted governing the bill. After regulations are adopted the department would have 180 days in which to meet the requirements. Thus it would be FY 03 before the department would incur costs related to this bill.

The funding source for this fiscal note is assumed to be the State's Oil Spill Response Fund.

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: SB 16
(S) Publish Date: 1/23/01

Revision Date/Time (Note if correction): _____ Dept. Affected: Envir. Conservation
Title: Oil Discharge Prevention: Nontank Vessels/RR BFU: Spill Prev. & Response
Sponsor: Rules Component: Industry Prep. and Pipeline
Requester: Resources Component Number: 1922

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	59.7	232.5	232.5	119.4	119.4	119.4
Travel	3.5	14.0	14.0	7.0	7.0	7.0
Contractual	7.5	28.6	26.8	13.7	13.7	13.7
Supplies	0.4	1.6	1.6	0.8	0.8	0.8
Equipment	6.9	21.0	1.2	0.6	0.6	0.6
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	78.0	297.7	276.1	141.5	141.5	141.5

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

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type) 1052	78.0	297.7	276.1	141.5	141.5	141.5
TOTAL	78.0	297.7	276.1	141.5	141.5	141.5

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time	1	2	2	2	2	2
Part-time	0	0	0	0	0	0
Temporary	0	2	2	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Funding and staffing needs are based on the assumption that approximately 500 contingency plan applications covering more than 900 vessels and the Alaska Railroad will be submitted for approval under the new requirements. This is based on the number of financial responsibility applications that have been submitted by the same operators under existing law. It is assumed that the vast majority of reviews will be done under the "streamlined" process, but each operator has the option of submitting a more detailed individual plan to meet the requirements. Assuming about 480 streamlined applications and 20 individual plan reviews, staff will be reviewing approximately 500 plans every three years (165 plans per year), with corresponding drills and verifications at the facilities covered by the legislation on an annual basis. CONTINUED ON NEXT PAGE

Prepared by: Larry Dietrick Phone 465-5255
Division: Spill Prevention and Response Date/Time 1/19/01 3:30 PM
Approved by: Kurt Fredriksson Date 1/19/01
Agency: DEC

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ANALYSIS: (continued)

This needs analysis takes into account the "phasing in" of requirements over the three fiscal years prior to full program implementation and the increased level during the initial plan review process. In year 1 (FY 02) (1) Environmental Specialist III will be added to the Industry Preparedness and Pipeline Program (IPPP) to draft and promulgate regulations to implement the legislation and provide technical assistance and training to the spill cooperatives, the Marine Exchange, and other stakeholders. In year 2 (FY 03) operators will begin to submit plans under the new regulations to the Department. These plans will be conditionally approved by the Department upon receipt, and plan reviews will be staggered over the three-year plan renewal cycle to smooth out staff workload. In FY 03 the IPPP Marine Vessel Section will add (1) permanent Environmental Specialist III and (2) nonpermanent Environmental Specialist IIIs to assist in registration of primary response action contractors, initial reviews of the plans, and technical assistance to stakeholders in gaining compliance with the new regulations. The nonpermanent ES III positions will carry over into FY 04 in order to continue to assist in these activities and in drills and verifications, which will also be conducted on a three year cycle beginning with the first year's approved plans. This analysis anticipates that in FY 05 the bulk of initial reviews will be completed and the two permanent ES IIIs will be responsible for plan renewals, drills and verifications in this and subsequent years. This fiscal note relies heavily on the ability of ships' agents, spill cooperatives and the newly-formed Marine Exchange to facilitate streamlined contingency plans and shared response capabilities. In FY 04 the Department will assess the actual workload associated with these activities and may modify its FY 05 budget request based on this assessment.

The annual travel budget for year 1 includes funding to attend public and task force meetings, information workshops on the new regulations, and other related duties. The year 2 travel budget adds related costs for technical assistance in contingency plan development and review. Year 3 and subsequent travel budgets include funding for on-site facility verifications, drills and exercises, and training. Contractual costs will fund ongoing support costs such as telephones, copiers, office space, postage, and training as new staff are added. Costs budgeted in supplies will fund office and scientific supplies. Equipment funds are requested to purchase equipment such as office furniture and computers and provide continued maintenance and replacement.