

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672

4833 HLAB HB 532 - HB 540

45

- V. The extent to which the board, commission, or agency has encouraged public participation in the making of its regulations and decisions.

Public notices of proposed regulations are published in major newspapers. Public comment on proposed regulations, both written and oral, are considered at Board meetings.

- VI. 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.

The Office of the Ombudsman, Attorney General and DOL do not have any outstanding consumer complaints regarding the Board of Optometry.

- VII. The extent to which a board or commission which regulates entry into an occupation or profession has presented qualified applicants to serve the public.

Prior to granting a license to practice, the Board is required to determine if the applicant is qualified. The Board reviews all applications to make the determination of eligibility. The Board issued 26 licenses from FY84 through FY87. The number of optometrists currently licensed is 77.

- VIII. The extent to which State personnel practices, including affirmative action requirements, have been complied with by the board, commission, or agency to its own activities and the area of activity or interest.

According to the Office of Equal Employment Opportunity, no complaints were filed against the Board from FY84 through FY87.

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

Please refer to the previous section, Findings and Recommendation.

APPENDIXES

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APPENDIX A

BOARD OF EXAMINERS IN OPTOMETRY
SCHEDULE OF REVENUES COMPARED WITH EXPENDITURES

For Fiscal Year 1987

(Unaudited)

(Note 1)

Average Revenue (Note 2)	\$ 4,651
Expenditures (Note 3)	<u>12,031</u>
Excess of Expenditures Over Revenues	<u>\$ 7,380</u>

Note 1

The Schedule of Revenues Compared with Expenditures was prepared from available records and discussions with the Division of Occupational Licensing (DOL) personnel. The records were not audited by us and, accordingly, we do not express an opinion on the Board's Schedule of Revenues Compared with Expenditures.

Note 2

A significant portion of revenues is composed of license renewal fees. Licenses are renewed quadrennially. Because of the renewals, revenues vary substantially every fourth year. Therefore, we combined revenues collected in fiscal year 1984, 1985, 1986 and 1987; and calculated a total in order to obtain a representative amount of average annual revenues collected. Licensing fees were increased in November 1986 in response to legislative intent to make the Boards more self supporting. See Appendix B, Schedule 1 for the current fee schedule.

Note 3

Expenditures consist of direct costs resulting from board member activities, (i.e. travel and per diem) and an allocation of direct and indirect costs of DOL. It should be noted, that represented expenditures do not include expenses incurred by other Departments or other divisions of the Department of Commerce and Economic Development in assisting the Board.

APPENDIX B

BOARD OF EXAMINERS IN OPTOMETRY
SCHEDULE OF ESTIMATED REVENUES
COMPARED WITH BUDGETED EXPENDITURES

For Fiscal Year 1988

(Unaudited)

(Note 1)

Average Revenue (Note 2)	\$ 4,120
Expenditures (Note 3)	<u>13,410</u>
Excess of Expenditures Over Revenues	<u>\$ 9,290</u>

Schedule 1
Types of Revenues
(Note 4)

<u>Revenues</u>	<u>Amount</u>	<u>Collection Time</u>
License Application Fee	\$ 20	With application
Examination Fee	\$ 50	With application
Reexamination Fee	\$ 50	With application to reexam
License Fee	\$200	At initial quadrennial license period
License Renewal Fee	\$200	Every four years
Branch Office Registration Fee	\$ 20	At initial quadrennial license period
Branch Office Renewal Fee	\$ 20	Every four years

Note 1

The Division of Occupational Licensing (DOL) prepared the above Schedule of Estimated Revenues Compared with Budgeted Expenditures. The schedule is included for informational purposes only and has not been audited by us. Accordingly, we do not express an opinion on the Board's Schedule of Estimated Revenues Compared with Budgeted Expenditures.

Note 2

Revenues were estimated based upon the current licensing fees (See schedule 1) and projected license renewals and application fees for fiscal years 1988, 1989, 1990 and 1991. Because of a downward trend in Alaska's economy the projection for revenues includes a factor representing a 20% to 30% decline in the number licensed professionals.

Note 3

Expenditures consist of FY88 budgeted direct costs associated with board member activities (i.e. travel and per diem) and a allocation of direct and indirect costs of DOL. It should be noted that represented expenditures do not include expenses incurred by other Departments or other divisions of the Department of Commerce and Economic Development in assisting the Board.

Note 4

This schedule represents the licensing fees currently in effect. Fees were raised in November 1986 in response to legislative intent to make the Boards more self supporting.

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STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

P. O. BOX D
JUNEAU, ALASKA 99811-0800
PHONE: (907) 465-2500

OFFICE OF THE COMMISSIONER

January 20, 1988

RECEIVED
JAN 27 1988

Mr. Randy Welker
Acting Legislative Auditor
Division of Legislative Audit
Budget and Audit Committee
P.O. Box W
Juneau, AK 99811-3300

LEGISLATIVE
AUDIT

Dear Mr. Welker:

This is written in response to the Budget and Audit Committee's (hereinafter "Committee") audit report of its sunset performance review of the Board of Examiners in Optometry. Below is the Department of Commerce and Economic Development's (hereinafter "Department") comments on the Committee's findings and recommendations.

Response to Recommendation No. 1.

The Committee has suggested that the board support a repeal of obsolete language in the optometry statutes. The Department supports this recommendation and will look to the legislative sunset review process to correct the confusing references contained in AS 08.72.

Response to Recommendation No. 2.

The Committee has raised the issue of mail order companies selling contact lens and the resultant public protection concerns. As the enclosed correspondence indicates, both the Department and the Board of Examiners in Optometry are aware of the issue and have preliminarily addressed the matter. The Division of Occupational Licensing will place this issue on the agenda of the next Optometry Board meeting and will approach the Department of Law for suggestions to recommend to the Legislature to correct the current, rather muddled enforcement provisions vis-a-vis mail order contact lens. This matter could be addressed in the legislation reestablishing the Optometry Board this second session of the Fifteenth Legislature.

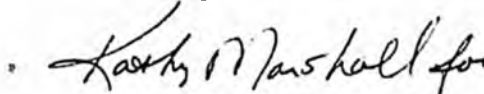
Mr. Randy Welker

-2-

January 20, 1988

The recommendations of the Committee have the full support of the Department and, I feel confident to say, the Board of Examiners in Optometry, as well.

Sincerely,

A handwritten signature in cursive script, appearing to read "J. Anthony Smith".

J. Anthony Smith
Commissioner

JAS/mst3719s
011988c
Enclosure

H B

5 3 3

HOUSE COMMITTEE REPORT

3/4

-77)

Date referred: 2/17/88

FURTHER REFERRALS:

Finance

DATE: 3/3/88

The Labor & Commerce Committee has considered HB 533

"An Act relating to the regulation of public accountancy; extending the termination date of the Board of Public Accountancy; and providing for an effective date."

RECOMMENDS:

replace with CSHB 533 (L+C) the same title

attached amendment(s) a new title

do pass

do not pass

no recommendation

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

fiscal impact

same as previous fiscal note published _____

zero fiscal note

same as previous zero fiscal note published _____

zero with analysis

SIGNING DO-PASS:

Dave Donley
Mike Koppen
D.C. [unclear]
Scott [unclear]

SIGNING OTHER RECOMMENDATIONS:

Dave Donley
Chairman's signature

5-1869B
Utermohle
3/2/88

Original sponsor: Labor and Commerce
Committee

1 IN THE HOUSE

BY THE LABOR AND
COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 533 (L&C)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the regulation of public account-
7 ancy; extending the termination date of the Board of
8 Public Accountancy; and providing for an effective
9 date."

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

11 * Section 1. AS 08.03.010(c)(17) is amended to read:

12 (17) Board of Public Accountancy (AS 08.04.010) -- June 30,
13 1992 [1988].

14 * Sec. 2. AS 08.04.140 is amended to read:

15 Sec. 08.04.140. FREQUENCY OF EXAMINATION. The examination shall
16 be held by the board as often as it determines desirable but not more
17 than three times each year. If the uniform certified public account-
18 ants' examination is available less frequently, an examination shall
19 be held not less than twice [ONCE] each year.

20 * Sec. 3. AS 08.04.390 is amended to read:

21 Sec. 08.04.390. PERMIT FOR INDIVIDUAL PRACTICE AS A PUBLIC
22 ACCOUNTANT. The board shall issue a permit to engage in the practice
23 of public accounting to a holder of a certificate or license if all
24 offices of the certificate holder or licensee are maintained [AND
25 REGISTERED] as required by AS 08.04.360 - 08.04.380 [AS 08.04.350 -
26 08.04.380]. The permit is valid for two years.

27 * Sec. 4. AS 08.04.500(a) is amended to read:

28 (a) A person may not assume or use the title or designation
29 "certified public accountant" or the abbreviation "CPA" or any other

1 title, designation, word, letter, abbreviation, sign, card, or device
2 tending to indicate that person is a certified public accountant,
3 unless the person has received a certificate, holds a live permit, and
4 all of the person's offices in this state for the practice of public
5 accounting are maintained [AND REGISTERED] as required by AS 08.04.-
6 360 - 08.04.380 [AS 08.04.350 - 08.04.380].

7 * Sec. 5. AS 08.04.510(a) is amended to read:

8 (a) A partnership or corporation may not assume or use the title
9 or designation "certified public accountant" or the abbreviation "CPA"
10 or any other title, designation, word, letter, abbreviation, sign,
11 card, or device tending to indicate that it is composed of certified
12 public accountants, unless the partnership or corporation is regis-
13 tered and holds a live permit, is practicing under its registered
14 name, and its offices in this state for the practice of public ac-
15 counting are maintained [AND REGISTERED] as required by AS 08.04.360 -
16 08.04.380 [AS 08.04.350 - 08.04.380].

17 * Sec. 6. AS 08.04.520 is amended to read:

18 Sec. 08.04.520. INDIVIDUAL POSING AS PUBLIC ACCOUNTANT. A
19 person may not assume or use the title or designation "public accoun-
20 tant" or the abbreviation "PA" or other title, designation, word,
21 letter, abbreviation, sign, card, or device tending to indicate that
22 that person is a public accountant, unless the person holds a live
23 permit and the person's offices in this state for the practice of
24 public accounting are maintained [AND REGISTERED] as required by
25 AS 08.04.360 - 08.04.380 [AS 08.04.350 - 08.04.380].

26 * Sec. 7. AS 08.04.530 is amended to read:

27 Sec. 08.04.530. PARTNERSHIP OR CORPORATION POSING AS PUBLIC
28 ACCOUNTANT. A partnership or corporation may not assume or use the
29 designation "public accountant" or the abbreviation "PA" or any other

1 title, designation, word, letter, abbreviation, sign, card, or device
2 tending to indicate that the partnership or corporation is composed of
3 public accountants, unless the partnership or corporation holds a live
4 permit, is practicing under its registered name, and its office in
5 this state for the practice of public accounting is maintained [AND
6 REGISTERED] as required by AS 08.04.360 - 08.04.380 [AS 08.04.350 -
7 08.04.380].

8 * Sec. 8. AS 08.04.540 is amended to read:

9 Sec. 08.04.540. USE OF DECEPTIVE TITLE OR ABBREVIATION. A
10 person, partnership, or corporation may not assume or use the title or
11 designation "certified accountant", "chartered accountant", "enrolled
12 accountant", "licensed accountant", "registered accountant", or any
13 other title or designation likely to be confused with "certified
14 public accountant" or "public accountant", or any of the abbreviations
15 "CA", "EA", "LA", "RA", or similar abbreviations likely to be confused
16 with "CPA" or "PA"; however, a person, partnership, or corporation
17 holding a live permit and whose offices in this state for the practice
18 of public accounting are maintained [AND REGISTERED] as required by
19 AS 08.04.360 - 08.04.380 [AS 08.04.350 - 08.04.380] may hold out to
20 the public as an accountant or auditor.

21 * Sec. 9. AS 08.04.560 is amended to read:

22 Sec. 08.04.560. INDIVIDUAL MAY NOT ASSUME TITLE. A person may
23 not sign or affix any name or any trade or assumed name used by that
24 person to any accounting or financial statement, or opinion or report
25 on any accounting or financial statement with any wording indicating
26 that the person is a certified public accountant or public accountant
27 or with any wording indicating that the person has expert knowledge in
28 accounting or auditing, unless the person holds a live permit and the
29 person's offices in this state for the practice of public accounting

1 are maintained [AND REGISTERED] as required by AS 08.04.360 - 08.04.-
2 380 [AS 08.04.350 - 08.04.380].

3 * Sec. 10. AS 08.04.580 is amended to read:

4 Sec. 08.04.580. PARTNERSHIP POSING AS ACCOUNTANTS OR AUDITORS.
5 A person may not sign or affix a partnership name with any wording
6 indicating that it is a partnership composed of accountants or audi-
7 tors or persons having expert knowledge in accounting or auditing to
8 any accounting or financial statement, or to any opinion [,] on,
9 report on, or certificate to any accounting or financial statement
10 unless the partnership holds a live permit, is practicing under its
11 registered name, and its offices in this state for the practice of
12 public accounting are maintained [AND REGISTERED] as required by
13 AS 08.04.360 - 08.04.380 [AS 08.04.350 - 08.04.380].

14 * Sec. 11. AS 08.04.590 is amended to read:

15 Sec. 08.04.590. USE OF TITLE WITH CORPORATE NAME. A person may
16 not sign or affix a corporate name with any wording indicating that it
17 is a corporation performing services as accountants or auditors, or
18 composed of accountants or auditors or persons having expert knowledge
19 in accounting or auditing to any accounting or financial statement, or
20 to any opinion or report on or certificate to any accounting or finan-
21 cial statement unless the corporation holds a live permit, is practic-
22 ing under its registered name, and its offices in this state for the
23 practice of public accounting are maintained [AND REGISTERED] as
24 required by AS 08.04.360 - 08.04.380 [AS 08.04.350 - 08.04.380].

25 * Sec. 12. AS 08.04.350 is repealed.

26 * Sec. 13. This Act takes effect immediately under AS 01.10.070(c).
27
28
29

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

HL + C

3-1-88

1:30 p.m.

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An Act relating to the regulation of public accountancy; extend. the term.
Sponsor: House Labor & Commerce
Requestor: _____

Agency Affected: Commerce & Economic Dev.
JRU: Occupational Licensing
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

The bill extends the Board of Public Accountancy to June 30, 1992, and amends Sec. 08.04.140 to reference an examination of not less than twice each year. The exams are currently administered twice each year in accordance with national testing dates. The amendment will reflect the current practice. Funding for the board is included in the department's FY 89 operating budget request.

Prepared by: Jennifer Strickler, Management Analyst Phone: 465-2144
Division: Occupational Licensing Date: 2/29/88

Approved by Commissioner: J. Anthony Smith Date: 2/29/88
Agency: Commerce and Economic Development

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

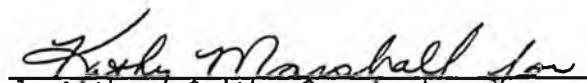
HB 533: An Act relating to the regulation of public accountancy; extending the termination date of the Board of Public Accountancy; and providing for an effective date.

The Board of Public Accountancy is presently in its sunset year and scheduled to terminate on June 30, 1988.

HB 533 proposes to extend the board to June 30, 1992 and amends section AS 08.04.140 to require that examinations be held not less than twice each year. The examination is presently administered twice a year in accordance with national testing dates. The amendment reflects current practice and will assure applicants that the minimum number of exams required to be held by the board each year will at least equal the number of exams presently offered by the national testing service. This will provide a higher degree of dependability and remove applicant concerns for exam availability during times of budget reductions.

The performance report recommended that the board review the current statutory requirement that all public accounting and certified public accounting offices be registered. At its January 28-29, 1988 board meeting, the board reviewed the performance report's recommendation that the board determine whether there was a "compelling" reason to continue the registration of offices; the board has determined that there is no need to continue registration of individual offices and, therefore, recommends that AS 08.04.350 (Registration of Offices) be repealed.

The department concurs with the Legislature's Budget and Audit Committee performance report finding that the board is necessary and desirable for the continued protection of Alaskans. The department supports continuation of the Board of Public Accountancy.



J. Anthony Smith, Commissioner
Department of Commerce and Economic
Development

Date: 2/29/88

JS/dg100410-2
022988b

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: An Act relating to the regulation of public accountancy; extenda. the term. date...
 Sponsor: House Labor & Commerce
 Requestor: _____
 Agency Affected: Commerce & Economic Dev.
 BRU: Occupational Licensing
 Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

The bill extends the Board of Public Accountancy to June 30, 1992, and amends Sec. 08.04.140 to reference an examination of not less than twice each year. The exams are currently administered twice each year in accordance with national testing dates. The amendment will reflect the current practice. Funding for the board is included in the department's FY 89 operating budget request.

Prepared by: Jennifer Strickler, Management Analyst Phone: 465-2144
 Division: Occupational Licensing Date: 2/29/88

Approved by Commissioner: J. Anthony Smith Date: 2/29/88
 Agency: Commerce and Economic Development

Distribution (by preparer) :

Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

RAB

Kandy Marshall for

A PERFORMANCE REPORT
ON THE BOARD OF
PUBLIC ACCOUNTANCY

July 1, 1983 - June 30, 1987

Audit Control Number

08-1313-88-R

Commissioner, Department of
Commerce and Economic Development

J. Anthony Smith

Deputy Commissioner, Department of
Commerce and Economic Development

John Williams

Members of the
Board of Public Accountancy

Chairperson
Member
Member
Member
Member
Member
Member

Michael T. Cook
Thomas E Bartlett
Michael R Hanrahan
Sandra L. Langland
Deborah R. Marshall
Ida H. McMahon
Edward B. Mecham

STATE OF ALASKA

AUDIT DIVISION
P.O. BOX W
JUNEAU, ALASKA 99811-3300

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE


December 31, 1987

Members of the Legislative Budget
and Audit Committee:

According to the provisions of Titles 24 and 44 of the Alaska Statutes, the Division of Legislative Audit is required to conduct a "Sunset" review of the Board of Public Accountancy.

At the request of the Chairman, during Fiscal Year 1988 budget deliberations, the Audit Division's budget was revised to reflect certain changes in the organization of the Committee's two Divisions. The revised budget of the Audit Division reflected efficiencies that might be obtained by utilizing the staff of the Legislative Finance Division on selected audit assignments during the interim.

As a result, the audit of the Board of Public Accountancy was conducted and this report has been prepared by the Legislative Finance Division. We feel this report discharges our responsibility under Titles 24 and 44. The report is submitted for your review.



Randy S. Welker, CPA
Acting Legislative Auditor
Division of Legislative Audit

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

**FINANCE DIVISION
POUCH WF-STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3795**

November 13, 1987

Members of the Legislative Budget
and Audit Committee:

In accordance with the intent of Titles 24 and 46 of the
Alaska Statutes (sunset legislation), the attached report is
submitted for your review.

A PERFORMANCE REPORT
ON THE BOARD OF
PUBLIC ACCOUNTANCY

July 1, 1983 - June 30, 1987

Audit Control Number

08-1313-88-R



Mike Greany, Director
Division of Legislative Finance

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PURPOSE AND SCOPE OF THE REPORT

PURPOSE

In accordance with the intent of Titles 24 and 44 of the Alaska Statutes (sunset legislation), we have examined the activities of the Board of Public Accountancy for the past four fiscal years to determine if the Board has been operating in an effective and efficient manner.

Legislative intent requires consideration of this report during legislative oversight hearings to determine whether the Board of Public Accountancy should be reestablished. The law now specifies that the Board will terminate June 30, 1988 and has one year from that date to conclude its affairs.

SCOPE

The major areas of our examination were the licensing, examination, administration, complaint and affirmative action functions of the Board. We reviewed and evaluated the following:

1. Applicable statutes and Board regulations.
2. Tests of files and documents of licensee.
3. Interviews with the license examiner.
4. Complaints filed with the Division of Occupational Licensing, Ombudsman's Office, Attorney General's Office, Equal Employment Opportunity Office, and the Human Rights Commission.
5. Discussions with Board members.
6. Minutes of Board meetings and Division correspondence files.
7. Attorney General's opinions applicable to the professional Board.

ORGANIZATION AND FUNCTION

The Board of Public Accountancy is a regulatory board consisting of seven members appointed by the Governor; five are certified public accountants or public accountants and two are public members. Board members serve staggered terms of four years.

The Board regulates the practice of public accounting. The Board sets the minimum standards to practice in Alaska by:

1. Examining and issuing licenses to qualified applicants.
2. Establishing, amending, or eliminating regulations controlling accounting practices.
3. Revoking, annulling, or suspending licenses in accordance with the Administrative Procedures Act when a person has violated public accountancy statutes or regulations.

REPORT CONCLUSION

Policy Issues

This review contains policy issues raised as a result of our evaluation of various Board practices. The final policy decisions affecting the practices are not within the scope of this report, but require legislative consideration. In debating these issues, the oversight committees should take into consideration the findings and recommendations presented in this report so that the potential impact on policy changes can be evaluated.

Report Conclusion

In our opinion, the Board of Public Accountancy should be reestablished. The regulation and licensing of qualified professionals is necessary and desirable for the continued protection of the citizens of Alaska. The Board provides this service by establishing minimum educational and experience requirements that provide reasonable assurance that persons licensed are qualified. Also, assurance that those licensed act in a competent manner is provided by active investigation of complaints and revocation of suspension of licenses where appropriate.

The following finding describes areas where weaknesses or conflicts exist. We have made a recommendation which, if implemented, will improve the efficiency and effectiveness of the Board.

FINDING AND RECOMMENDATION

Recommendation No. 1

In order to determine if a public need exists, the Board should review the requirement for the registration of all public accounting and certified public accounting offices.

Alaska Statute 08.04.350 requires each office of a certified public accountant, partnership or corporation of certified public accountants, as well each office of a public accountant, partnership or corporation of public accountants, to register annually with the Board. This requirement is in addition to Alaska Statute 08.04.240, which requires the registration of all partnerships and corporations composed of certified public accountants.

During our examination we found, that due to other priorities, the Division is unable to actively enforce the requirement for the individual registration of offices. Completed registrations received by the Division are placed in the individual's certified public accountant or public accountant file. There is currently no process to verify that individual offices are complying with this requirement.

If upon review, the Board finds no compelling reason to continue the registration of individual offices, we would recommend the Board pursue the appropriate statutory deletions.

ANALYSIS OF PUBLIC NEED

Limited Analysis

The following analyses indicate both positive and negative factors as they relate to the public need as defined in the "sunset" law. These analyses are not intended to be comprehensive, but address those areas we were able to cover within the scope of our review.

- I. The extent to which the board, commission or program has operated in the public interest.
 - A. To practice public accounting in Alaska, an individual must satisfy minimum professional standards established by the Board.
 - B. The Board was successful in its proposition to adopt a regulation (12 AAC 04.440) to require evidence of continuing professional education as a condition for reinstatement of a lapsed license.
 - C. The Board has held an average of three meetings per year and has conducted professional examinations (twice a year) in Anchorage, Fairbanks and Juneau.

- II. The extent to which the operation 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.

Reductions in the Division of Occupational Licensing's budget has limited staff support to all professional licensing boards. Present levels of funding appear to be adequate, but further reductions could be detrimental.

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

The Board has recommended several amendments to the Accountancy Act of 1960. These amendments appear to be consistent with other jurisdictions and in the public's best interest.

- IV. 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 service, economy of service, and availability of service which it has provided.

APPENDIXES

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

PURPOSE AND SCOPE OF THE REPORT

PURPOSE

In accordance with the intent of Titles 24 and 44 of the Alaska Statutes (sunset legislation), we have examined the activities of the Board of Public Accountancy for the past four fiscal years to determine if the Board has been operating in an effective and efficient manner.

Legislative intent requires consideration of this report during legislative oversight hearings to determine whether the Board of Public Accountancy should be reestablished. The law now specifies that the Board will terminate June 30, 1988 and has one year from that date to conclude its affairs.

SCOPE

The major areas of our examination were the licensing, examination, administration, complaint and affirmative action functions of the Board. We reviewed and evaluated the following:

1. Applicable statutes and Board regulations.
2. Tests of files and documents of licensee.
3. Interviews with the license examiner.
4. Complaints filed with the Division of Occupational Licensing, Ombudsman's Office, Attorney General's Office, Equal Employment Opportunity Office, and the Human Rights Commission.
5. Discussions with Board members.
6. Minutes of Board meetings and Division correspondence files.
7. Attorney General's opinions applicable to the professional Board.

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ORGANIZATION AND FUNCTION

The Board of Public Accountancy is a regulatory board consisting of seven members appointed by the Governor; five are certified public accountants or public accountants and two are public members. Board members serve staggered terms of four years.

The Board regulates the practice of public accounting. The Board sets the minimum standards to practice in Alaska by:

1. Examining and issuing licenses to qualified applicants.
2. Establishing, amending, or eliminating regulations controlling accounting practices.
3. Revoking, annulling, or suspending licenses in accordance with the Administrative Procedures Act when a person has violated public accountancy statutes or regulations.

(Intentionally left blank)

REPORT CONCLUSION

Policy Issues

This review contains policy issues raised as a result of our evaluation of various Board practices. The final policy decisions affecting the practices are not within the scope of this report, but require legislative consideration. In debating these issues, the oversight committees should take into consideration the findings and recommendations presented in this report so that the potential impact on policy changes can be evaluated.

Report Conclusion

In our opinion, the Board of Public Accountancy should be reestablished. The regulation and licensing of qualified professionals is necessary and desirable for the continued protection of the citizens of Alaska. The Board provides this service by establishing minimum educational and experience requirements that provide reasonable assurance that persons licensed are qualified. Also, assurances that those licensed act in a competent manner is provided by active investigation of complaints and revocation of suspension of licenses where appropriate.

The following finding describes areas where weaknesses or conflicts exist. We have made a recommendation which, if implemented, will improve the efficiency and effectiveness of the Board.

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FINDING AND RECOMMENDATION

Recommendation No. 1

In order to determine if a public need exists, the Board should review the requirement for the registration of all public accounting and certified public accounting offices.

Alaska Statute 08.04.350 requires each office of a certified public accountant, partnership or corporation of certified public accountants, as well each office of a public accountant, partnership or corporation of public accountants, to register annually with the Board. This requirement is in addition to Alaska Statute 08.04.240, which requires the registration of all partnerships and corporations composed of certified public accountants.

During our examination we found, that due to other priorities, the Division is unable to actively enforce the requirement for the individual registration of offices. Completed registrations received by the Division are placed in the individual's certified public accountant or public accountant file. There is currently no process to verify that individual offices are complying with this requirement.

If upon review, the Board finds no compelling reason to continue the registration of individual offices, we would recommend the Board pursue the appropriate statutory deletions.

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ANALYSIS OF PUBLIC NEED

Limited Analysis

The following analyses indicate both positive and negative factors as they relate to the public need as defined in the "sunset" law. These analyses are not intended to be comprehensive, but address those areas we were able to cover within the scope of our review.

- I. The extent to which the board, commission or program has operated in the public interest.
 - A. To practice public accounting in Alaska, an individual must satisfy minimum professional standards established by the Board.
 - B. The Board was successful in its proposition to adopt a regulation (12 AAC 04.440) to require evidence of continuing professional education as a condition for reinstatement of a lapsed license.
 - C. The Board has held an average of three meetings per year and has conducted professional examinations (twice a year) in Anchorage, Fairbanks and Juneau.
- II. The extent to which the operation 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.

Reductions in the Division of Occupational Licensing's budget has limited staff support to all professional licensing boards. Present levels of funding appear to be adequate, but further reductions could be detrimental.
- III. The extent to which the board, commission, or agency has recommended statutory changes which are generally of benefit to the public interest.

The Board has recommended several amendments to the Accountancy Act of 1960. These amendments appear to be consistent with other jurisdictions and in the public's best interest.
- IV. 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 service, economy of service, and availability of service which it has provided.

Individuals who register complaints or ask questions of the Board are invited and encouraged to attend Board meetings.

- V. The extent to which the board, commission, or agency has encouraged public participation in the making of its regulations and decisions.

Board meetings are held at least three times a year. The meetings are open to the public and are advertised in a timely manner.

- VI. 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.

Procedures for handling complaints by the Division of Occupational Licensing have been improved.

- VII. The extent to which a board or commission which regulates entry into an occupation or profession has presented qualified applicants to serve the public.

A. For certification purposes, the Board has proposed and adopted regulations relative to acceptable work experience in accounting.

B. The Board has exercised diligence to assure that only those individuals who fully comply with the requirements of public accountancy law and regulations are certificated to practice.

- VIII. The extent to which State personnel practices, including affirmative action requirements, have been complied with by the board, commission, or agency to its own activities and the area of activity or interest.

There appear to be no violations of statutes or regulations. Licences are granted strictly on the basis of professional qualifications and testing.

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

Please refer to the previous section, Finding and Recommendation.

APPENDIXES

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APPENDIX A

BOARD OF PUBLIC ACCOUNTANCY
SCHEDULE OF REVENUES COMPARED WITH EXPENDITURES
For Fiscal Year 1987
(Unaudited)
(Note 1)

Average Revenue (Note 2)	\$47,145
Expenditures (Note 3)	<u>76,171</u>
Excess of Expenditures Over Revenues	<u>\$29,026</u>

Note 1

The Schedule of Revenues Compared with Expenditures was prepared from available records and discussions with the Division of Occupational Licensing (DOL) personnel. The records were not audited by us and, accordingly, we do not express an opinion on the Board's Schedule of Revenues Compared with Expenditures.

Note 2

A significant portion of revenues is composed of license renewal fees. Licenses are renewed on a biennial basis. Because of the renewals, revenues vary substantially every second year. Therefore, we combined revenues collected in fiscal year 1984, 1985, 1986 and 1987; and calculated a total in order to obtain a representative amount of average annual revenues collected. Licensing fees were increased in November 1986 in response to legislative intent to make the Boards more self supporting. See Appendix B, Schedule 1 for the current fee schedule.

Note 3

Expenditures consist of direct costs resulting from board member activities, (i.e. travel and per diem) and an allocation of direct and indirect costs of DOL. It should be noted, that represented expenditures do not include expenses incurred by other Departments or other divisions of the Department of Commerce and Economic Development in assisting the Board.

APPENDIX B

BOARD OF PUBLIC ACCOUNTANCY
SCHEDULE OF ESTIMATED REVENUES
COMPARED WITH BUDGETED EXPENDITURES
For Fiscal Year 1988
(Unaudited)
(Note 1)

Average Revenue (Note 2)	\$81,720
Expenditures (See Note 3)	<u>4,899</u>
Excess of Expenditures Over Revenues	<u>\$ 3,146</u>

Schedule 1
Types of Revenues
(Note 4)

<u>Revenues</u>	<u>Amount</u>	<u>Collection Time</u>
Application Fee	\$ 20	With application
Examination Fee	\$ 70	With application
CPA Certification Fee	\$180	At initial biennial license period
Biennial Certification Renewal Fee	\$180	Every two years
Uncertified Public Accountant Biennial Renewal Fee	\$100	Every two years
Corporation and Partnership Registration Fee	\$100	At initial biennial license period and there after, every two years
Out-of-State Certification Fee for One Year	\$ 90	With application

Note 1

The Division of Occupational Licensing (DOL) prepared the above Schedule of Estimated Revenues Compared with Budgeted Expenditures. The schedule is included for informational purposes only and has not been audited by us. Accordingly, we do not express an opinion on the Board's Schedule of Estimated Revenues Compared with Budgeted Expenditures.

Note 2

Revenues were estimated based upon the current licensing fees (See schedule 1) and projected license renewals and application fees for fiscal years 1988, 1989, 1990 and 1991. Because of a downward trend in Alaska's economy the projection for revenues includes a factor representing a 20% to 30% decline in the number licensed professionals.

Note 3

Expenditures consist of FY88 budgeted direct costs associated with board member activities (i.e. travel and per diem) and a allocation of direct and indirect costs of DOL. It should be noted that represented expenditures do not include expenses incurred by other Departments or other divisions of the Department of Commerce and Economic Development in assisting the Board.

Note 4

This schedule represents the licensing fees currently in effect. Fees were raised in November 1986 in response to legislative intent to make the Boards more self supporting.

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STATE OF ALASKA

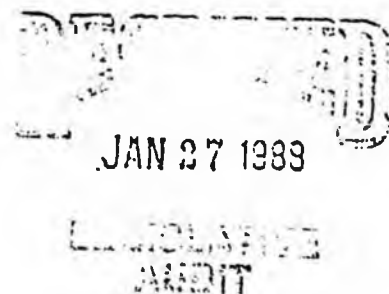
STEVE COWPER, GOVERNOR

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

P. O. BOX D
JUNEAU, ALASKA 99811-0800
PHONE: (907) 465-2500

OFFICE OF THE COMMISSIONER

January 20, 1988



Mr. Randy S. Welker
Acting Legislative Auditor
Budget and Audit Committee
P.O. Box W
Juneau, AK 99811-3300

Dear Mr. Welker:

This is written in response to the Budget and Audit Committee's (hereinafter "Committee") report of its sunset performance review of the Board of Public Accountancy. Below is the Department of Commerce and Economic Development's (hereinafter "Department") comments on the Committee's findings and recommendations.

Response to Recommendation No. 1

The Committee has found that the Division of Occupational Licensing has not actively enforced the statutory requirement that the individual offices of licensed accountants be annually registered with the Division of Occupational Licensing. It is the recommendation of the Committee that the Board of Public Accountancy review the issue of office registration and determine whether there is a "compelling reason to continue the registration of individual offices."

The Department finds this recommendation appropriate and will place this matter on the agenda of the upcoming meeting of the Board of Public Accountancy (January 28-29, 1988) for its review, discussion, and appropriate action. If it finds there is no compelling reason to continue to require registration of individual offices, we will recommend including deletion of the requirement in the bill which reestablishes the Board of Public Accountancy.

Sincerely,

A handwritten signature in cursive script that reads "J. Anthony Smith".

J. Anthony Smith
Commissioner

JAS/RB/mst7630W
011988c

HB

534

HOUSE COMMITTEE REPORT

(7)

Date referred: 2/17/88

FURTHER REFERRALS:

HESS
Finance

DATE: 3-1-88

The Labor & Commerce Committee has considered HB 534

"An Act relating to regulation of dispensing opticians and dispensing optician apprentices; extending the termination date of the Board of Dispensing Opticians; and providing for an effective date."

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

Dave Douley
Ellis
H. Turner
John Thompson
John Thompson

SIGNING OTHER RECOMMENDATIONS:

Dave Douley
Chairman's signature


HB 534: An Act relating to regulation of dispensing opticians and dispensing optician apprentices; extending the termination date of the Board of Dispensing Opticians; and providing for an effective date.

The Board of Dispensing Opticians is presently in its sunset year and scheduled to terminate on June 30, 1988. HB 534 proposes to extend the board to June 30, 1992 and amend various sections of AS 08.71 to address the concerns identified in the Legislature's Budget and Audit Committee performance report regarding apprentices and continuing competency requirements.

The amendment proposed in the new bill regarding apprentices clarifies that all dispensing optician apprentices who wish to obtain the 6,000 training hours required in order to take the licensing examination must first be registered with the board as an apprentice prior to commencing that apprenticeship. The board will then be able to better monitor the activities of the individuals claiming to be apprentices.

The bill also amends AS 08.71.130(d) to delete the specific reference to the number of continuing competency hours required for renewal of a license. This will allow the board flexibility to adjust the number or required hours as needed.

The department supports the continuation of the board and concurs with the Legislature's Budget and Audit Committee performance report recommendation that the board be reestablished.



J. Anthony Smith, Commissioner
Department of Commerce and Economic
Development

Date: 2/25/88

JS/dg10041o-1
022988b

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Commerce & Economic Dev.
 Title: An Act relating to regulation of BRU: Occupational Licensing
dispensing opticians & disp. opt. apprentices...
 Sponsor: House Labor & Commerce Components: _____
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

The bill extends the Board of Dispensing Opticians to June 30, 1992 and amends AS 08.71 to address the concerns regarding apprentices and continuing competency requirements as stated in Recommendation No. 1 of the Budget and Audit Performance Report. Funding for the board is included in the department's FY 89 operating budget request.

Prepared by: Jennifer Strickler, Management Analyst Phone: 465-2144
 Division: Occupational Licensing Date: 2/29/88

Approved by Commissioner: J. Anthony Smith Date: 2/29/88
 Agency: Commerce and Economic Development

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

HL+C

3-1-88

1:30pm.

A PERFORMANCE REPORT
ON THE BOARD OF
DISPENSING OPTICIANS

July 1, 1984 - June 30, 1987

Audit Control Number

08-1314-88-R

Commissioner, Department of
Commerce and Economic
Development

J. Anthony Smith

Deputy Commissioners, Department
of Commerce and Economic
Development

John Williams

Members of the
Board of Dispensing Opticians

Gregg L. McClanahan
Sharla S. Thomas
William E. Reedy, Jr.
Barbara J. May (Public)
Donald R. Smith

STATE OF ALASKA

THE LEGISLATURE BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION
P.O. BOX W
JUNEAU, ALASKA 99811-3300

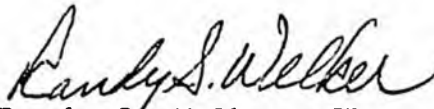
December 31, 1987

Members of the Legislative Budget
and Audit Committee:

According to the provisions of Titles 24 and 44 of the Alaska Statutes, the Division of Legislative Audit is required to conduct a "Sunset" review of the Board of Dispensing Opticians.

At the request of the Chairman, during Fiscal Year 1988 budget deliberations, the Audit Division's budget was revised to reflect certain changes in the organization of the Committee's two Divisions. The revised budget of the Audit Division reflected efficiencies that might be obtained by utilizing the staff of the Legislative Finance Division on selected audit assignments during the interim.

As a result, the audit of the Board of Dispensing Opticians was conducted and this report has been prepared by the Legislative Finance Division. We feel this report discharges our responsibility under Titles 24 and 44. The report is submitted for your review.


Randy S. Welker, CPA
Acting Legislative Auditor
Division of Legislative Audit

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

FINANCE DIVISION
POUCH WF-STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3795

November 20, 1987

Members of the Legislative Budget
and Audit Committee:

In accordance with the intent of Titles 24 and 44 of the
Alaska Statutes (sunset legislation), the attached report is
submitted for your review.

A PERFORMANCE REPORT
ON THE BOARD OF
DISPENSING OPTICIANS

July 1, 1984 - June 30, 1987

Audit Control Number

08-1314-88-R



Mike Greany, Director
Division of Legislative Finance

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PURPOSE AND SCOPE OF THE REPORT

Purpose

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 Dispensing Opticians for the past three fiscal years to determine if the Board has been operating in an efficient and effective manner.

Legislative intent requires consideration of this report during legislative oversight hearings to determine whether the Board of Dispensing Opticians should be reestablished. The law now specifies that the Board will terminate June 30, 1988, and have one year from that date to conclude its affairs.

Scope

The major areas of our examination were the licensing, examination, administration, complaint, and affirmative action functions of the Board. We reviewed and evaluated the following:

1. Applicable statutes and regulations.
2. Tests of files and documents of licensees.
3. Interviews with the license examiners.
4. Complaints filed with the Division of Occupational Licensing, Human Rights Commission, Equal Employment Opportunity Office, Attorney General's Office, and the Ombudsman's Office.
5. Discussions with Board members.
6. Minutes of Board meetings and Division correspondence files.
7. Attorney General's Opinions applicable to professional boards.

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ORGANIZATION AND FUNCTION

The Board of Dispensing Opticians was established by the 1973 Session Laws of Alaska. This regulatory board consists of five persons; four dispensing opticians and one public member, appointed by the Governor. Board members serve staggered terms of four years.

The Board is organized under the Department of Commerce and Economic Development, Division of Occupational Licensing (DOL). DOL provides the Board with licensing and investigative support. The licensing section processes applications, maintains license files, answers inquiries, and provides other administrative help to the Board.

The Board sets the minimum standards to practice in Alaska by:

1. Examining and issuing licenses to qualified applicants.
2. Establishing, amending, or eliminating regulations necessary and desirable to enforce statutes.
3. Revoking, annulling, or suspending licenses in accordance with the Administrative Procedures Act when a person has violated dispensing optician statutes or regulations.

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REPORT CONCLUSION

Policy Issues

This report contains policy issues raised as a result of our evaluation of Board practices. The final policy decisions affecting these practices are not within the scope of this report but require legislative consideration. In debating these issues, the oversight committee should take into consideration the Findings and Recommendations presented in this report so the potential impact of policy changes can be evaluated.

Report Conclusion

The primary purpose of a regulatory board with a licensing function is to protect the public. The questions that have been evaluated to determine if licensing is needed are:

Does the unlicensed practice pose a serious risk to the consumer's life, health, safety, or economic well-being?

Can the potential users be expected to properly evaluate the qualifications of those offering services?

Do the benefits to the public clearly outweigh any potential harmful effects, such as a decrease in the availability of practitioner, higher cost of services, and restriction on optimum utilization of personnel?

During our review to determine if the Board's licensing function is required and meets the previously mentioned criteria, we examined existing statutes, complaints, and various Board functions. As a result of our examination we found:

1. In the area of eye glass wear, the potential for injury by an optician is very remote. However, improper fit of contact lenses can cause headaches, nausea, eye infection, or permanent restriction of vision from corneal abrasion.
2. Reductions in the Consumer Protection Agency's funding have decreased the essential functions of this agency to a bare minimum. Therefore, the Board is needed to protect the public through responding to consumers' complaints and taking proper action by revoking or suspending licenses when appropriate.

3. The dispensing opticians' statutes require the consumer to return to an optometrist or an ophthalmologist to check on the fit of their contact lenses. Unfortunately, some clients never return to verify the correctness of the fit. As mentioned earlier, an ill-fitted contact lens can cause injury. Thus, it is important to have experienced and qualified dispensing opticians to fit the contact lenses correctly. The Board provides this service by establishing minimum experience requirements that provide reasonable assurance that persons licensed are qualified.

In our opinion, the Board of Dispensing Opticians should be reestablished. The regulation and licensing of qualified professionals is necessary to protect the public's health, safety, and welfare.

The following findings describe areas where weaknesses or conflicts exist. We have made recommendations which, if implemented, will improve the efficiency and effectiveness of the Board.

FINDINGS AND RECOMMENDATIONS

Recommendation No. 1

The Board should review existing statutes and regulations and seek appropriate revision where necessary.

During our examination, we reviewed the Board's statutes and regulations to determine if any were obsolete, vague, restrictive, or unnecessary. Examples of what we found are as follows:

1. AS 08.71.130 (d) and 12 AAC 30.050 set out continuing competency requirements. These requirements were based on quadrennial licensing. In 1987, legislation was passed, Chapter 94 SLA 87, which changed the licensing renewal time frame, for all boards, to biennial. This supersedes the existing regulation in place. Therefore, continuing competency requirements need to be revised proportionately, i.e. reducing required hours from 30 hours to 15 hours.
2. AS 08.71.150 allows the State to license by reciprocity. However, none of the other 21 states, who statutorily require licensure of the practice of dispensing opticians, has granted Alaska reciprocity rights. Furthermore, licensure by credentials accomplishes the same purpose. This statute is not necessary as recommended in the prior Legislative Audit review of June 30, 1984.
3. AS 08.71.200 sets out dispensing opticians' constraints for issuing contact lenses. The language used is not specific enough and should be further defined to explain what is meant by "contact lenses shall be fitted in conjunction with and under the supervision of a licensed physician or optometrist". This problem was noted by the Governor's working group on combining Boards of Optometry and Dispensing Optician, the previous Legislative Audit review of June 30, 1984, and the Attorney General's office.
4. 12 AAC 30.110 (a) sets out the requirement for apprentice registration with the Department of Commerce and Economic Development, in that, "Before starting an apprenticeship under AS 08.71.160 the, apprentice shall register with the department on a form approved by the Board. No hours of apprentice training before registration will be counted towards the 6,000 hours requirement in AS 08.71.110 (a)."

During our examination, we reviewed several licensing files to determine if statutory and regulatory requirements were being met. Four of the files tested did not have an apprentice registration form on file. If the Board feels that this regulation is not needed then it should revise 12 AAC 30 110(a) accordingly. Otherwise, this regulation should be complied with.

AS 08.71.055 provides that the Board shall exercise general control over dispensing opticians. This cannot be done effectively without clear and concise statutes and regulation. Thus, the review of statutes and regulations for obsolescence, vagueness, and restrictiveness should continue and appropriate changes should be proposed where necessary.

Recommendation No. 2

To insure the public is adequately protected, the Board and the Division of Occupational Licensing (DOL), should address the issue of mail order companies selling contact lenses.

When contact lenses are purchased from a licensed ophthalmologist, optometrist, or dispensing optician, the consumer is provided with professional training in how to care for the eye and the contact lenses. Additionally, the licensed professional conducts an on-site evaluation to determine if the contact lens properly fits the eye. A contact lens that does not properly fit the eye can cause headaches, nausea or permanent restriction of vision from corneal abrasions.

However, a new sales technique has developed in the last few years. Mail order companies are selling and dispensing replacement contact lenses. It is our interpretation of the law, and is the attorney general's office view, that only licensed ophthalmologists, optometrists, and dispensing opticians have the legal authority to sell or dispense contact lens in Alaska, whether it is the initial sale of a contact lens or a replacement of the lens.

Additionally, mail order consumers are at a disadvantage in attempting to judge the fit of contact lenses purchased by mail. As previously stated, a contact lens that does not fit properly can cause injury to the eye.

Considering the potential for public harm, we believe the issue of mail order companies selling and dispensing replacement contact lenses should be addressed by the Board and DOL.

ANALYSIS OF PUBLIC NEED

Limited Analysis

The following analyses indicate both positive and negative factors as they relate to the public need as defined in the "sunset" law. These analyses are not intended to be comprehensive, but to address those areas we were able to cover during our examination.

I. The extent to which the board, commission, or program has operated in the public interest.

A. The Board has held meetings and exams at least once a year.

B. The Board has passed regulations concerning grading criteria and continuing competency requirements.

II. The extent to which the operation 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.

Reductions in the agency budget have prevented the Board from meeting more than once a year. The Board should at least meet twice a year to perform tasks set forth by the statute.

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

The Board has not repealed or amended obsolete or unnecessary regulatory requirements (see Recommendation No. 1.)

IV. 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 service, economy of service, and availability of service which it has provided.

The Board has published public notices of all examinations, meetings, and regulation changes. The Board has not actively solicited comments on its effectiveness.

- V. The extent to which the board, commission, or agency has encouraged public participation in the making of its regulations and decisions.

The Board has published notices of its meetings in Anchorage, Fairbanks, and Juneau.

- VI. 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.

According to the Division of Occupational Licensing's files, there have been approximately 9 investigation cases in the past few years. Twelve complaints were filed against one dispensing optician with the Consumer Protection Office in Anchorage. No complaints were filed with the Office of Ombudsman, Human Rights Commission, and Equal Employment Opportunity.

- VII. The extent to which a board or commission which regulates entry into an occupation or profession has presented qualified applicants to serve the public.

A. In the past three years, the number of currently licensed opticians has increased from 63 to 80.

B. The Board has established licensure by credential which helps ensure more qualified applicants.

- VIII. The extent to which State personnel practices, including affirmative action requirements, have been complied with by the board, commission, or agency to its own activities and the area of activity or interest.

There have not been any violations of statutes or regulations pertaining to affirmative action requirements. Licenses are awarded based on the applicant's qualifications.

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

Please refer to the previous section, Findings and Recommendations.

APPENDIXES

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APPENDIX A

BOARD OF DISPENSING OPTICIANS
SCHEDULE OF REVENUES COMPARED WITH EXPENDITURES
For Fiscal Year 1987
(Unaudited)
(Note 1)

Average Revenue (Note 2)	\$4,308
Expenditures (Note 3)	<u>9,158</u>
Excess of Expenditures Over Revenues	<u>\$4,850</u>

Note 1

The Schedule of Revenues Compared with Expenditures was prepared from available records and discussions with the Division of Occupational Licensing (DOL) personnel. The records were not audited by us and, accordingly, we do not express an opinion on the Board's Schedule of Revenues Compared with Expenditures.

Note 2

A significant portion of revenues is composed of license renewal fees. Licenses were renewed quadrennially. Because of the renewals, revenues varied substantially every fourth year. Therefore, we combined revenues collected in fiscal year 1984, 1985, 1986 and 1987; and calculated a total in order to obtain a representative amount of average annual revenues collected. Licensing fees were increased in November 1986 in response to legislative intent to make the Boards more self supporting. See Appendix B, Schedule 1 for the current fee schedule.

Note 3

Expenditures consist of direct costs resulting from board member activities, (i.e. travel and per diem) and an allocation of direct and indirect costs of DOL. It should be noted, that represented expenditures do not include expenses incurred by other Departments or other divisions of the Department of Commerce and Economic Development in assisting the Board.

APPENDIX B

BOARD OF DISPENSING OPTICIANS
SCHEDULE OF ESTIMATED REVENUES
COMPARED WITH BUDGETED EXPENDITURES
For Fiscal Year 1988
(Unaudited)
(Note 1)

Average Revenue (Note 2)	\$ 4,440
Expenditures (Note 3)	<u>10,207</u>
Excess of Expenditures Over Revenues	<u>\$ 5.767</u>

Schedule 1
Types of Revenues
(Note 4)

<u>Revenues</u>	<u>Amount</u>	<u>Collection Time</u>
Application Fee	\$ 20	With application
Examination Fee	\$ 50	With application
Reexamination Fee	\$ 50	With application
Initial License Fee	\$200	Before licensure
Renewal Fee	\$200	Every four years
Late Renewal Fee	\$ 20	If over 60 days after renewal date

Note 1

The Division of Occupational Licensing (DOL) prepared the above Schedule of Estimated Revenues Compared with Budgeted Expenditures. The schedule is included for informational purposes only and has not been audited by us. Accordingly, we do not express an opinion on the Board's Schedule of Estimated Revenues Compared with Budgeted Expenditures.

Note 2

Revenues were estimated based upon the current licensing fees (See schedule 1) and projected license renewals and application fees for fiscal years 1988, 1989, 1990 and 1991. Because of a downward trend in Alaska's economy the projection for revenues includes a factor representing a 20% to 30% decline in the number licensed professionals.

Note 3

Expenditures consist of FY88 budgeted direct costs associated with board member activities (i.e. travel and per diem) and a allocation of direct and indirect costs of DOL. It should be noted that represented expenditures do not include expenses incurred by other Departments or other divisions of the Department of Commerce and Economic Development in assisting the Board.

Note 4

This schedule represents the licensing fees currently in effect. Fees were raised in November 1986 in response to legislative intent to make the Boards more self supporting.

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STATE OF ALASKA

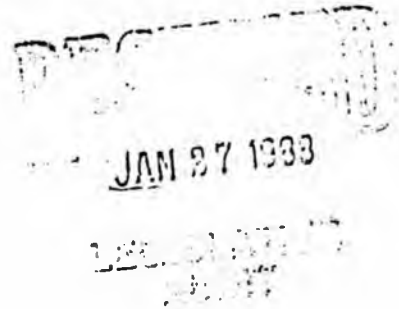
STEVE COWPER, GOVERNOR

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

P. O. BOX D
JUNEAU, ALASKA 99811-0800
PHONE: (907) 465-2500

OFFICE OF THE COMMISSIONER

January 20, 1988



Mr. Randy Welker
Acting Legislative Auditor
Division of Legislative Audit
Budget and Audit Committee
P.O. Box W
Juneau, AK 99811-3300

Dear Mr. Welker:

This letter is written in response to the Budget and Audit Committee's (hereinafter "Committee") audit report of its sunset performance review of the Board of Dispensing Opticians. Below is the Department of Commerce and Economic Development's (hereinafter "Department") comments on the Committee's findings and recommendations.

Response to Recommendation No. 1

The Committee has reviewed the statutes and regulations governing the practice of dispensing opticianary and has found a number of instances where the work of the Board of Dispensing Opticians could be more clear, concise, or consistently applied. The Department concurs with the Committee's findings and will, in cooperation with the Legislature's sunset review process, attempt to correct the problems detailed in the audit report.

Response to Recommendation No. 2

The Committee has raised the issue of mail order companies selling contact lens and the resultant public protection concerns. As the enclosed correspondence indicates, both the Department and the Optometry Board are aware of the issue and have preliminarily addressed the matter. The Division of Occupational Licensing will place this issue on the agenda of the next Optometry Board meeting and will approach the Department of Law for suggestions to recommend to the Legislature during this session to correct the current rather muddled enforcement provisions vis-a-vis mail order contact lens.

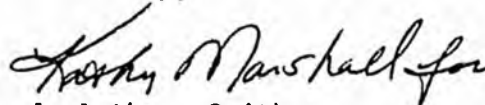
Mr. Randy Welker

-2-

January 20, 1988

The Department appreciates the Committee's decision to continue the Board of Dispensing Opticians. We believe a decision to either sunset the Board or combine the Board with the Optometry Board, as has been recommended in the past, would be detrimental to the public interest; therefore, we concur in the Committee's recommendation to maintain the Board as currently configured.

Sincerely,

A handwritten signature in cursive script, appearing to read "Anthony Smith".

J. Anthony Smith
Commissioner

JAS/RPB/mst0470D
011988c

HB

535

5-1396B ✓
Cramer
3/10/88

Original sponsor: Labor & Commerce
Committee

1 IN THE HOUSE

BY THE LABOR AND
COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 535 (L&C)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - SECOND SESSION
5 A BILL

6 For an Act entitled: "An Act relating to working conditions for employees
7 required to use respirators."

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

9 * Section 1. AS 18.60 is amended by adding a new section to read

10 Sec. 18.60.101. WORK WITH RESPIRATORS. (a) An employer shall
11 provide each employee who is required to use a respirator during
12 employment with a rest period after each two consecutive hours of work
13 in which the respirator was used. The rest period must be long enough
14 so that the employee can spend at least 15 minutes in an area in which
15 the air is breathable without use of a respirator.

16 (b) An employer who requires an employee using a respirator to
17 report in writing whether a safety problem occurred during a work
18 period may not discharge or discriminate against the employee because
19 the employee reported a safety problem that the employee believed to
20 exist. The employer shall include notice of this protection on the
21 form on which the employee is required to indicate whether a safety
22 problem occurred.

STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: CSHB 535 (L&C)

PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An Act ... work. conditions for
employees required to use respirators
Sponsor: Labor & Commerce
Requestor: Labor & Commerce

Agency Affected: Labor
BRU: Occupational Safety & Health
Components: Occupational
Safety & Health

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Tom Stuart, Director
Division: Labor Standards & Safety

Phone: 465-4870
Date: 3/10/88

Approved by Commissioner: Jim Sampson
Agency: Department of Labor

Date: 3/10/88

Distribution (by preparer) :
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

H B

5 4 0

STATE OF ALASKA
THE LEGISLATURE

POUCHY - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

House L³C:

March 22, 1983

5-2031B
Cramer
3/22/88

Original sponsor: Labor & Commerce
Committee

1 IN THE HOUSE

BY THE LABOR AND
COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 540 (L&C)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to access to an employee personnel
7 file."

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

9 * Section 1. AS 23.10 is amended by adding a new section to read:

10 ARTICLE 7. EMPLOYEE RIGHTS.

11 Sec. 23.10.430. ACCESS TO PERSONNEL FILES. (a) An employer
12 shall permit an employee or former employee to inspect and make copies
13 of the employee's personnel file and other personnel information
14 maintained by the employer concerning the employee under reasonable
15 rules during regular business hours. The employer may require an
16 employee or former employee who requests copies of material under this
17 subsection to pay the reasonable cost of duplication.

18 (b) An employer may not maintain personnel information concern-
19 ing a specific employee or former employee unless the employer makes
20 diligent efforts to notify the employee or former employee that the
21 information is being maintained.

22 (c) This section does not supersede the terms of a collective
23 bargaining agreement.

24 (d) In this section,

25 (1) "employee" means a person employed by an employer;

26 (2) "employer" means a person who employs one or more other
27 persons and includes the state, the University of Alaska, the Alaska
28 Railroad, and political subdivisions of the state.

29

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Administration
 Title: An act relating to access to an BRU: Labor Relations
employee personnel file.
 Sponsor: House Labor & Commerce Committee Components: Labor Relations
 Requestor: House Labor & Commerce Committee

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

Any additional copying required by this bill for this division, or any Executive Branch agency, will either be charged to an employee or absorbed as a nominal increase in copy charges.

Prepared By: Bruce A. Cummings *Bruce Cummings* Phone: 465-4404
 Division: Labor Relations Date: March 21, 1988
 Approved by Commissioner: John M. Andrews *John M. Andrews* Date: 3/21/88
 Agency: Department of Administration

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION : HB 540
PUBLISH DATE : _____

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Labor
 Title: "An Act relating to an BRU: Labor Standards and Safety
employee personnel file."
 Sponsor: House Labor & Commerce Components: Wage and Hour
 Requestor: House Labor & Commerce

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Tom Stuart, Director Phone: 264-2452
 Division: Labor Standards and Safety Date: 3/18/88
 Approved by Commissioner: Jim Sampson Date: 3/18/88
 Agency: Department of Labor

Distribution (by preparer) :
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)