

ALASKA LEGISLATURE COMMITTEE FILES 1997-1998 8672

9604 SENATE LABOR & COMMERCE

Alaska State Legislature

Senate



Official Business

State Capitol
Juneau, AK. 99801-1182

TO: Terry Bannister
Legal Services
via fax: 2029 2 pages

FROM: Annette Kreitzer, Aide to
Senate Labor & Commerce Committee

DATE: February 10, 1997

RE: Amendments to SB 65

Please prepare the following amendments for the Labor & Commerce Committee to be offered by Senator Leman: *(for to be written by 10 a.m.)*

Amendment #1:

New language: Amend AS 03.05.11(a)(2) as follows:
(2) establishment of quarantines for eradication of pests and diseases in livestock

Amendment #2:

Delete AS 03.25 "Veterinarians" in its entirety.

Amendment #3:

Revise AS 03.45.030 as follows:

Conditions of importation of certain animals. A person may not bring into the state any horse, cattle, or swine for work, feeding, breeding, dairying, or for any other purpose unless the animal has been **[EXAMINED AND FOUND FREE FROM GLANDERS, FARCY, TUBERCULOSIS, ACTINOMYCOSIS, RINDERPEST, FOOT AND MOUTH DISEASE, CONTAGIOUS ABORTION, CONTAGIOUS KERATITIS, SCABIES, MALADIE DU COIT, SWINE PLAGUE, AND HOG CHOLERA. SWINE IN ADDITION SHALL HAVE BEEN GIVEN THE SERUM TREATMENT FOR HOG CHOLERA WITHIN TWO WEEKS BEFORE SHIPPING, UNLESS A PERMIT HAS BEEN OBTAINED FROM THE PROPER AUTHORITIES OF THE STATE, TERRITORY, OR FOREIGN COUNTRY FROM WHICH THE ANIMAL IS SHIPPED, OR FROM AN INSPECTOR OF THE DEPARTMENT OF AGRICULTURE, OF THE UNITED STATES ASSIGNED TO THE DIVISION OF DAIRY AND LIVESTOCK IN THE STATE, TERRITORY, OR FOREIGN COUNTRY FROM WHICH THE**

*cited in other sections
010
020
Shipped
consigned
carrier?
will consist of
53.010*

ANIMAL IS SHIPPED] found free from any infectious, contagious or communicable disease. [A STEAMSHIP OR TRANSPORTATION COMPANY OR OTHER COMMON CARRIER MAY NOT BRING ANY ANIMAL INTO THE STATE WITHOUT FIRST HAVING HAD IT EXAMINED, OR TREATED, AND FOUND FREE FROM THE DISEASES DESCRIBED IN THIS SECTION AND HAVING OBTAINED THE PERMIT PROVIDED FOR IN THIS SECTION.] A public or private transportation company or other common carrier may not bring any animal into the state without first ensuring it has been examined or treated by a licensed veterinarian, and found free from diseases. The animal must be accompanied by a permit issued by the department and a health certificate issued by a licensed veterinarian.

What is 9045?

*more
primary
from current
law.*

Amendment #4:

AS 03.53.010 is repealed and reenacted to read:

- (a) Animals, excluding dogs and cats, transported into the state aboard an Alaska Marine Highway vessel must be accompanied by a current health certificate issued by a licensed veterinarian.
- (b) Dogs and cats transported into the state aboard an Alaska Marine Highway vessel must be free of infectious, contagious, and communicable diseases and must be accompanied by proof of current rabies vaccination. The department may require dogs and cats be accompanied by a health certificate.

NOTE TO DRAFTER: This language was proposed by the Department of Environmental Conservation; however, with at least one private ferry operating in Southeast, shouldn't we require all marine carriers, or whatever a passenger ferry is called, to require the current health certificates?

Amendment #5:

Page 7, Line 2:

(9) transportation, use [OR] disposal, recalls of, or warnings concerning, quarantined or embargoed items;

Amendment #6:

Page 10, Lines 20-24:

Delete all material and replace with:

*Sec. 19. AS 17.20 is amended by adding a new section to read:

Sec. 17.20.305. Penalty for violation. A person who violates a provision of this chapter or a regulation, order, quarantine, embargo or recall made under authority of this chapter, or violates a provision of a permit issued under this chapter is guilty of a class A misdemeanor for each offense.

what is single subject?

Annette: here is the language for SB 65. I am still waiting to hear back from DOLaw that I properly drafted the very last amendment here regarding "reckless disregard" and will let you know if they recommend it be reworded in some fashion but this looked to me like what they had proposed initially when the bill was being drafted. Several of these sections are not presently in the bill and I've noted them as "new".

New - amend AS 03.05.011(a)(2) as follows:

(2) establishment of quarantines for eradication of pests and diseases in livestock;

New - Delete AS 03.25 "Veterinarians." We have to have a vet on staff anyway to do certain aspects of the meat inspection program, and the amendment to .011, above, ensures s/he can control diseases in livestock.

New - Revise AS 03.45.030 as follows:

Conditions of importation of certain animals. A person may not bring into the state any horse, cattle, or swine for work, feeding, breeding, dairying, or for any other purpose unless the animal has been [EXAMINED AND FOUND FREE FROM GLANDERS, FARCY, TUBERCULOSIS, ACTINOMYCOSIS, RINDERPEST, FOOT AND MOUTH DISEASE, CONTAGIOUS ABORTION, CONTAGIOUS KERATITIS, SCABIES, MALADIE DU COIT, SWINE PLAGUE, AND HOG CHOLERA. SWINE IN ADDITION SHALL HAVE BEEN GIVEN THE SERUM TREATMENT FOR HOG CHOLERA WITHIN TWO WEEKS BEFORE SHIPPING, UNLESS A PERMIT HAS BEEN OBTAINED FROM THE PROPER AUTHORITIES OR THE STATE, TERRITORY OR FOREIGN COUNTRY FROM WHICH THE ANIMAL IS SHIPPED, OR FROM AN INSPECTOR OF THE DEPARTMENT OF AGRICULTURE OF THE UNITED STATES ASSIGNED TO THE DIVISION OF DAIRY AND LIVESTOCK IN THE STATE, TERRITORY, OR FOREIGN COUNTRY FROM WHICH THE ANIMAL IS SHIPPED] found free from any infectious, contagious or communicable disease. [A STEAMSHIP OR TRANSPORTATION COMPANY OR OTHER COMMON CARRIER MAY NOT BRING ANY ANIMAL INTO THE STATE WITHOUT FIRST HAVING HAD IT EXAMINED, OR TREATED, AND FOUND FREE FROM THE DISEASES DESCRIBED IN THIS SECTION AND HAVING OBTAINED THE PERMIT PROVIDED FOR IN THIS SECTION.] A public or private transportation company or other common carrier may not bring any animal into the state without first ensuring it has been examined or treated by a licensed veterinarian, and found free from diseases. The animal must be accompanied by a permit issued by the department and a health certificate issued by a licensed veterinarian.

New - Revised AS 03.53.010 as follows:

Delete entire section and replace with:

- (a) Animals, excluding dogs and cats transported into the state aboard an Alaska Marine Highway vessel must be accompanied by a current health certificate issued by a licensed veterinarian.
- (b) Dogs and cats transported into the state aboard an Alaska Marine Highway vessel must be free of infectious, contagious, and communicable diseases and must be accompanied by proof of current rabies vaccination. The department may require dogs and cats be

DAIR also has quarantine requirements

Law Dept. 3/1/97

Date	2/19	# of pages	2
From	ANNETTE		
Co.	ADEC		
Phone #	5295		
Fax #	7671		
To	ANNETTE		
Co/Dept	ADEC		
Phone #	5294		
Fax #	7671		

FEB-19-97 WED 09:36

ADEC EH JUNEAU

FAX NO. 907 465 5292

accompanied by a health certificate.

In the bill, page 7, line 2, amend to read as follows:

off karr

(9) transportation, use, [OR] disposal, recalls of, or warnings concerning,
quarantined or embargoed items

Section 19, Page 10, line 21 amend as follows:

A person who violates a provision of this chapter or a regulation, order, quarantine, or embargo made under authority of this chapter, with reckless disregard for the requirements of this chapter, or regulation or permit issued under this chapter, is guilty of a class A misdemeanor for each offense.

FEB-19-97 WED 09:36

ADEC EH JUNEAU

FAX NO. 907 465 5292

269-5287

In the bill, page 7, line 2, amend to read as follows:

(9) transportation, use, [OR] disposal,
quarantined or embargoed items

Section 19, Page 10, line 21 amend as follows:

A person who violates a provision of this chapter or a regulation, order, quarantine, or embargo made under authority of this chapter, with reckless disregard for the requirements of this chapter, or regulation or permit issued under this chapter, is guilty of a class A misdemeanor for each offense.

Annette: Here is a new revision to Section 19 of the food bill (SB-65) per my voice message this a.m.

Section 19, Page 10, line 21

A person who with criminal negligence violates a provision of this chapter or a regulation, order, quarantine, [OR] embargo or recall made under authority of this chapter, or violates a provision of a permit issued under this chapter is guilty of a class A misdemeanor for each offense.

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ADEC EH JUNEAU

FAX NO. 907 465 5292

Post-it Fax Note		7871	Date	2/19	# of pages	1
To	Annette		From	Janice		
Co./Dept.			Co.			
Phone #	3844		Phone #	REUSED		
Fax #	3810		Fax #	AMENDMENT		

Post-it Fax Note		7871	Date	2/19	# of pages	1
To	Annette		From	Janice		
Co./Dept.			Co.			
Phone #	3844		Phone #	REUSED		
Fax #	3810		Fax #	AMENDMENT		

STATE OF ALASKA

TONY KNOWLES, GOVERNOR

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February 4, 1997

The Honorable Loren Leman
Chairman, Senate Labor and Commerce Committee
Room 113, Capitol Building
Juneau, AK 99801

Re: SB 65, an Act relating to domestic animals, to food, and to the Alaska Food, Drug and Cosmetic Act, and providing for an effective date

Dear Senator Leman:

The above-referenced bill has been referred to your committee. We'd like to ask that you schedule it for a hearing.

In a nutshell, this bill consolidates all DEC statutes relating to food processing and service in Title 17, Food and Drugs. Under current law, these statutes can also be found in Title 3, Animals and Agriculture. This is very confusing for people in the industry who must rely on these statutes to determine the requirements they must meet. In some cases, there are conflicts between the two titles, adding to the confusion.

We are also proposing to delete some obsolete statutes such as those relating to flour and bread standards and rabies. A full list is included in the Sectional Analysis that is enclosed.

The substantive changes are minor:

1. The department would be allowed to incorporate the most current version of the Pasteurized Milk Ordinance, National Shellfish Sanitation Program, and FDA's Hazard Analysis Critical Control Point requirements into its regulations. Other provisions of law require that we follow these three federal rules, as does the federal government for interstate sales of these products.

The way it works now, whenever there are changes to these rules by the federal agencies, DEC can only incorporate these changes by going through the regulatory adoption process. Processors in these areas of the food business are all very aware of the federal rules, and will follow the most

The Honorable Loren Leman

Page 2

February 4, 1997

current version even if our regulations have not been updated. We see these changes as a good way to prevent the state from having some rule "on the books" that is different from what is necessary for interstate sale of these food products.

2. We are proposing to delete the requirement that the department have a field-kill inspection program for reindeer at state expense. We have existing authority for food products that allows us to continue our field-kill program (although there have not been any field-kills in a couple of years) so the effect of this amendment will be to delete the requirement that it be done at state expense. We have never operated the program in that way. The one reindeer slaughter facility in Mekoryuk has always worked with the department to help defray our costs for the inspections by providing our staff with housing and meals.

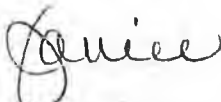
3. The department is well on its way to incorporate the changes to its regulations regarding FAD's Hazard Analysis Critical Control Point (HACCP) regulations as required by HB 208 which passed the legislature in 1995. The FDA rules will go into effect on December 18, 1997. What we have found is that many processors are already developing their HACCP plans and we want to be able to accept those now in lieu of the plan of operation instead of waiting until December as the statutes are currently written. This bill will allow us to do so. In addition, it makes a slight change to the definition of "critical control point" so that our state definition matches the FDA's.

4) Finally, this bill repeals the requirement that the department pay for food samples it obtains in order to determine the product's safety, and the corresponding requirement that we reimburse employees without receipts for those purchases. In fact, the department does not pay for food samples, nor are we funded to do so. The reimbursement requirement conflicts with the Procurement Act.

The enclosed sectional analysis explains in detail what is moved and where, and what is deleted.

I look forward to your scheduling this bill in the near future. Please don't hesitate to contact me if you need any further information.

Sincerely,



Janice Adair

Director

JA/id (j:\eh\director\sb65.rqt)

Enclosure:

• Sectional Analysis/SB65

cc: Pat Pourchot, Office of the Governor (w/encl)

An Act relating to domestic animals, to food, and to the
Alaska Food, Drug and Cosmetic Act, and providing for an effective date.

Sectional Analysis

SB 65 and its companion bill, HB 92, consolidate statutory provisions related to processed food that falls within DEC's purview from Title 03, Animals and Agriculture, to Title 17, Food and Drugs. In addition, some statutes are repealed relating to rabies, state-paid field inspection program for reindeer, and some food standards. Finally, some minor changes are made to the food statutes to ensure compliance with federal food laws.

The end result that all food processing and service statutes will be in Title 17.

Section 1. This removes food-related duties of the commissioner of environmental conservation from Title 03, Animals and Agriculture:

- Page 1, lines 6 - 14 and page 2, lines 1 - 5 have been reworded for context and moved to Title 17 in Section 9 (page 6, lines 1 - 7) of this bill, except for authority to establish standards of identity and composition of food, page 1, lines 9 - 10, which is already provided by AS 17.20.010. Page 2, lines 14 - 25 have been consolidated and moved to Title 17 in Section 9 (page 6, lines 17 - 20).
- The language dealing with a field kill inspection program for reindeer at state expense on page 2, lines 26 - 30, is proposed to be deleted. The department has existing authority to inspect any meat or game products intended for human consumption. The effect of the proposed deletion would be to remove the requirement that the state pay for the field-kill inspection program. There are no field-kills taking place in the state at this time.

Section 2. This amends the inspection requirements in Title 3 by removing all references to fish, aquatic farm products and aquatic farms sites. These requirements are moved to Title 17 by Sections 14 and 17 of this bill.

Section 3. This amends the enforcement in Title 3 by removing all references to fisheries products. Title 17 already has a similar provision in AS 17.20.230.

Sections 4 and 5. Under current law, both DEC and DNR have responsibility for ensuring organic food is properly labeled. These sections amend the organic food statutes by removing those authorities that are DEC's which relate to processed foods, leaving the requirements for DNR in Title 3. The organic food requirements for processed foods, meat, fish and poultry are reestablished in Title 17 by Section 8 of this bill.

Section 6. This is a conforming amendment changing cross references to the new cross references in Title 17.

Section 7. This is also a conforming amendment changing the cross references to Title 17.

Section 8. This is the organic food section, and is identical to existing law that can be found at AS 03.58. Sections 4 and 5 of this bill amend AS 03.58 to remove the types of food over which DEC has authority.

Section 9. This is a new section in Title 17. It consists of language from Title 3, slightly reworded for context.

- The introductory paragraph (page 6, lines 1 - 3) is the same language currently found at AS 03.05.011.
- Page 6, lines 4 - 7 correspond with the language deleted in Section 1 of the bill and provides the authority to inspect food products offered to the public as well as authority to set standards of sanitation and handling methods for all phases of food production and sale.
- Page 6, line 8 is currently found at AS 03.05.011(a)(3), proposed for deletion in Section 26 (page 13, line 2) of this bill, provides the authority to establish labeling requirements.
- Page 6, line 9 repeats the current AS 03.05.011(a)(2). The control and eradication of pests is critical for proper management of animals and agriculture as well as food products; therefore this language appears in both statutes.
- Page 6, lines 10 - 11 can be found in current law at AS 03.05.011(a)(8). In accordance with HB 208, enacted in 1995, this provision will be repealed on the effective date of the U.S. Food and Drug Administration's Hazard Analysis Critical Control Point regulations. These federal regulations are expected to take effect on December 18, 1997.
- Page 6, lines 12 - 16 are currently delayed amendments to AS 03.05.011(a)(8) as a result of HB 208. Because of changes proposed in section 11 of this bill, we have moved this delayed amendment to current law.
- Page 6, lines 17 - 20 is a restatement of language proposed for deletion in Section 1. It establishes the authority for standards for milk and milk products. In addition, this section will allow DEC to use the most current version of the Public Health Service's Pasteurized Milk Ordinance (PMO) without the expense of the regulatory process to update the reference. Milk may not be sold in interstate commerce which includes sales to the military and other institutions that receive federal funding such as schools unless it meets the standards of the PMO. Dairies must follow the most recent version of the PMO

by federal law, therefore this change will negate the possibility of the state using an older standard while the federal government uses a newer one, which could cause problems for our dairy producers.

- Page 6, lines 21 - 30 can be found in current law at AS 03.05.011(a)(9) and (10) which are proposed for deletion in Section 26 of this bill. Together these two subsections provide the authority to establish requirements for aquatic farms and aquatic farm products. In addition, subsection 7 allows the department to use the most current version of the National Shellfish Sanitation Program (NSSP) published by the Food and Drug Administration. Compliance with the NSSP is required before shellfish may be sold on the interstate market. As with the change to the Pasteurized Milk Ordinance, subsection 5, this will negate the possibility of the state using an older version of the NSSP while the federal government uses a newer one, which could cause confusion for our shellfish growers.
- Page 6, line 31 and page 7, line 1 can be found in current law at AS 03.05.011(a)(4), and provides the department with the ability to conduct tests or analyses or hold hearings to determine whether a stop order or quarantine needs to be issued. Because this is critical for proper management of animals and agriculture as well as food products, this language will appear in both statutes.
- Page 7, line 2 is a restatement of language proposed for deletion in Section 1 of this bill. It provides the department with authority regarding quarantined or embargoed food products.
- Page 7, line 3 is taken from AS 03.05.011(5). It will continue to appear in Title 3, and is simply a statement of cooperation with the federal government and other state agencies.

Section 10. This is currently AS 03.05.035. No changes are proposed to the existing language.

Section 11. Page 7, lines 16 - 31, and page 8, lines 1 - 8 are existing law and can be found at AS 03.05.025. We have proposed minor changes to this provision as explained below.

Under current law, a seafood processor must have a plan of operation approved by the department. By the terms of HB 208, enacted in 1995, the plan of operation statute will be repealed on December 18, 1997 and will be replaced with a requirement for a Hazard Analysis Critical Control Point (HACCP) plan.

Many processors are already moving from the plan of operation to the HACCP plan because of requirements for exporting to the European Union (EU). Subsection (c) (page 7, lines 29 - 31, and page 8, lines 1 - 2) will allow the department to accept the HACCP plan in lieu of the plan of operation for those processors who choose to operate under a HACCP plan prior to the December 1997 deadline. (The federal HACCP regulations have been adopted but will not take effect until

December 18, 1997 to give processors a chance to move up the learning curve before the HACCP plans become a requirement). This amendment is also intended to help processors so they will not be required to develop a plan of operation only to have to replace it with a HACCP plan at the end of the year.

Page 8, lines 2-6 are unchanged from the language that was in HB 208.

Finally, we are proposing a minor change to the definition of "critical control point" on page 8, at lines 6 - 8. HB 208 contained a definition of critical control point that varies slightly from

the definition ultimately adopted by the FDA. Several processors have expressed concerns about the state having a different definition than the FDA.

Subsections (b) and (c) at page 7, lines 20 - 31, and page 8, lines 1 - 8 will be repealed when the HACCP requirement finally takes effect on December 18, 1997. Section 12 contains the replacement language.

Section 12. This is the same amendment to AS 03.05.025 made by the passage of HB 208, with the same delayed effective date, slightly modified to conform the state and federal definitions of "critical control point."

Section 13. This is the same as current law that can be found at AS 03.05.026 and AS 03.05.085, which are proposed for repeal by Section 26. This section has only conforming amendments changing cross references to the new sections in Title 17.

Section 14. We have moved "aquatic farms" to our inspection authority in Title 17. In current law, this authority is in Title 3. (It is proposed for deletion from that title in Section 2 of this bill.)

Section 15. This is a conforming amendment to reflect the new sections in Title 17.

Section 16. This is a conforming amendment to reflect the new sections in Title 17.

Section 17. This is similar to the amendment in Section 14 that adds "aquatic farms" to our Title 17 inspection authority to account for the deletion of that authority (by Section 2 of this bill) from Title 3.

We are also proposing on page 10, line 13 to delete the current requirement that DEC pay for food samples obtained for testing purpose to ensure the food is wholesome. This is not the department's practice, nor are we funded to purchase food samples.

This deletion also impacts the Department of Health and Social Services by deleting the same requirement for that agency as it relates to drug safety.

Section 18. This is conforming amendment.

Section 19. This is currently AS 03.05.090, and is being repeated in Title 17 to conform with the transfer of other food statutes from Title 3.

Section 20. This is a conforming amendment.

Section 21. This is a conforming amendment.

Section 22. This is a conforming amendment.

Section 23. This is a conforming amendment.

Section 24. This section revises the definition of "farmed salmon product." To avoid conflicting uses of the term "aquatic farm", we will define "farmed salmon product" by merely referring to the activity that makes such a product "farmed." The definition of "aquatic farm" currently in Title 3 will be moved to Title 17 by Section 25 of this bill.

Section 25. These definitions are moved from AS 03.05.100.

Section 26. This is the repealer section. Some statutes are being repealed in Title 3, and readopted as part of Title 17 or already exist in Title 17, while others are being repealed completely. Following is the breakdown:

Repealed and moved, or already in Title 17:

AS 03.05.011(a)(3), Powers of the Commissioner
AS 03.05.011(a)(7), Powers of the Commissioner
AS 03.05.011(a)(8), Powers of the Commissioner
AS 03.05.011(a)(9), Powers of the Commissioner
AS 03.05.011(a)(10), Powers of the Commissioner
AS 03.05.025, Seafood Permits
AS 03.05.026, Seafood Quality Standards
AS 03.05.035, Sale and Labeling of Frozen Food
AS 03.05.085, Seafood Processing Research
AS 03.05.100(2), Definition of Aquatic Farm and Aquatic Farm Products
AS 17.05.010, Sale of Unwholesome Provisions Prohibited
AS 17.05.020, Adulteration Prohibited

Repealed completely:

AS 03.05.070, Rabies (rabies control powers of the Department of Health and Social Services, coupled with the animal control powers of local governments, will continue)
AS 17.05.050, Re-serving Prohibited (obsolete: safe re-service should be allowed.)

AS 17.07, Flour and Bread Standards (obsolete: currently regulated by the FDA; the State has authority to implement similar regulations, if necessary, under AS 17.20.010)

AS 17.20.210, Reimbursement for Expenses (obsolete: conflicts with procurement procedures promulgated by the Department of Administration)

AS 17.20.310, Penalties (obsolete: currently used language is in AS 03.05.090, which will be applied to Title 17 by Section 19 of the bill)

Section 27. This repeals two sections of HB 208 that have delayed effective dates. Both sections are in this legislation. Section 1 of HB 208 can be found on page 6, lines 12 - 16 of this bill while Section 4 can be found on page 8, lines 10 - 20.

Section 28. In combination with Section 30, this is a delayed repeal of language found on page 6, lines 10 - 11, page 7, lines 29 - 31, and page 8, lines 1 - 8 of this legislation. This repeal conforms with the intent of HB 208, which is to replace the plan of operation with a HACCP plan.

Section 29. This is standard language that allows permits, regulations, embargoes, etc. done under current law to remain in effect despite the changes contained in this legislation.

Section 30. This is the delayed effective date provision that complies with the provisions of HB 208. The referenced FDA regulations are to take effect on December 18, 1997.

Section 31. This is the effective date provision which, except for the two delayed sections, is July 1, 1997.

TONY KNOWLES
GOVERNOR



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Juneau, Alaska 99811-0001
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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 27, 1997

The Honorable Mike Miller
President of the Senate
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear President Miller:

Included in my effort to create greater efficiencies in state government is getting rid of archaic laws that are no longer used, but just remain on the books gathering dust. This bill is a cleanup of various statutes relating to food and animals under the Department of Environmental Conservation (DEC), either deleting unnecessary items or transferring them to consolidate our statutes. This will facilitate the public's use and understanding of these laws.

History has left the statutes governing food scattered throughout both Title 3, which covers agriculture and animals, and Title 17 on food and drugs. With this bill, statutes governing organic food under the jurisdiction of the Department of Natural Resources would remain in Title 3, while statutes governing processed food that fall under the DEC purview would be consolidated in Title 17.

Additionally, this bill makes other streamlining and housekeeping measures including deleting unnecessary flour and bread standards, statutes regarding rabies control, and staff reimbursement requirements that conflict with the state Procurement Code.

The bill also allows the DEC to use future revisions of three important federal milk and seafood program standards to be sure state standards always conform, to avoid confusion in the industry, and ensure marketability of our milk and seafood products.

The people of Alaska are asking for government programs to be consolidated and streamlined. This bill is a step toward that goal.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tony Knowles".

Tony Knowles
Governor

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
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130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

February 25, 1997

SUBJECT: SB 65 amendments (Work Order No. 20-GS0010\A)

TO: Senator Loren Leman, Chair
Senate Labor and Commerce Committee
Attn: Annette Kreitzer

FROM:  Theresa Bannister
Legislative Counsel

This memo accompanies the amendments described above.

Please note that Amendment 2, which repeals AS 03.25 ("Veterinarians") creates a possible single subject problem for the bill. The repeal of AS 03.25 includes veterinarian assistance to fur farms. Although the current bill relates to animals, it does so in the context of public health, e.g. limiting disease and protecting food. The provisions of AS 03.25 include, among other things, assistance with improving the breeding of fur animals. Since breeding improvement does not seem to be a public health measure, but more of a business improvement measure, repealing AS 03.25 seems to go beyond public health.

There may be another single subject (aside from a potentially overbroad one addressing a subject like department regulatory powers) that would work for adding this repealer, but it is not immediately apparent. The single subject requirement is a constitutional requirement under art. II, sec. 13, Constitution of the State of Alaska.

If I may be of further assistance, please advise.

TLB:glc
97-118.glc

Attachments

Alaska State Legislature

Senate



Official Business


State Capitol
Juneau, AK. 99801-1182

SENATE LABOR AND COMMERCE COMMITTEE

Chairman: Senator Loren Leman
Vice Chairman: Senator Mackie
Senator Kelly
Senator Miller
Senator Hoffman

MEMO

TO: Committee Members
hand delivered 2/26/97

FROM: Annette Kreitzer, Committee Staff 
X3844

DATE: February 26, 1997

RE: Addition to SB 65: Food/Seafood/Organic Food

Attached are four amendments (A.1, A.3-A.6) to Senate Bill 65. Please add these to your SB 65 committee packet, they will be offered in committee TOMORROW, February 27. As usual, you will receive your agenda tomorrow listing the bills and witnesses for the meeting.

Amendment A.2 causes a single subject problem and so it is not included.

Senator Mackie memo

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR LEMAN

TO: SB 65

1 Page 1, following line 3:

2 Insert a new bill section to read:

3 **"* Section 1.** AS 03.05.011(a)(2) is amended to read:

4 (2) establishment of quarantines for eradication of pests and diseases

5 in livestock:"

6 Page 1, line 4:

7 Delete **"* Section 1."**

8 Insert **"* Sec. 2."**

9 Renumber the following bill sections accordingly.

10 Page 13, line 15:

11 Delete "12 and 28"

12 Insert "13 and 29"

13 Page 13, line 21:

14 Delete "sec. 30"

15 Insert "sec. 31"

AMENDMENT

OFFERED IN THE SENATE

BY SENATOR LEMAN

TO: SB 65

- 1 Page 1, line 1, after "food,":
- 2 Insert "to pest control,"
- 3 Page 13, line 3, following "03.05.100(2);"
- 4 Insert "AS 03.15.020;"

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR LEMAN

TO: SB 65

- 1 Page 7, line 2:
- 2 Delete "transportation, use, or disposal of"
- 3 Insert "transportation of, use of, disposal of, recalls of, or warnings concerning"

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR LEMAN

TO: SB 65

1 Page 10, line 21, following "who":

2 Insert "with criminal negligence"

3 Page 10, line 22:

4 Delete "or embargo"

5 Insert "embargo, or recall"

6 Page 10, line 24, following "offense.":

7 Insert "In this section, "criminal negligence" has the meaning given in AS 11.81.900."

*goes to state of
mind*

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR LEMAN

TO: SB 65

- 1 Page 1, line 1:
- 2 Delete "domestic"
- 3 Page 13, line 3, following "03.05.100(2);":
- 4 Insert "AS 03.25;"

SB

73

FISCAL NOTE

No. 1

Bill Version: SB73

(S) Publish Date: 1/30/97

**STATE OF ALASKA
1997 LEGISLATIVE SESSION**

Revision Date: _____ Dept. Affected: Administration
 Title: Citizen's Review Board for BRU: Central. Admin. Services
Foster Care Component: Citizen's Foster Care Review
 Sponsor: Rules Committee
 Requestor: Governor COMPONENT SERIAL NO. 1888

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITUR	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	76.8	76.8	76.8	76.8	76.8	76.8
TRAVEL	24.0	24.0	24.0	24.0	24.0	24.0
CONTRACTUAL	18.0	18.0	18.0	18.0	18.0	18.0
SUPPLIES	3.0	3.0	3.0	3.0	3.0	3.0
EQUIPMENT	20.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	141.8	121.8	121.8	121.8	121.8	121.8

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	141.8	121.8	121.8	121.8	121.8	121.8
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
Total	141.8	121.8	121.8	121.8	121.8	121.8

Estimate of current year (FY 97) cost: \$ 0.0

POSITIONS:

FULL-TIME	1	1	1	1	1	1
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

This fiscal note would allow the Board to hire the executive director (Range 20 Social Services Program Coordinator--\$68.3) as authorized in legislation, and the remaining \$8.5 would bring three existing PFT positions from 30 hours per week per person to actually working full time. [Existing staff include a Social Worker IV (R. 18), a Social Worker II (R. 14), and an Administrative Clerk III (R. 10).] The travel funds will allow the newly appointed statewide Board to meet twice a year face to face, and fund travel by staff and board members to all judicial districts to offer start-up training to volunteer citizens who wish to serve on local review panels. The contract funds will purchase the additional telephone, teleconference, printing and other charges needed to support the state Board and communication with all the local panels, as well as training materials, training contractors, etc. An increase in supplies to support additional training materials, etc. is included. Finally, a one time purchase of furniture, computer and software for the new executive director, and computer/software/and communication upgrades for all staff, are included in the equipment line.

Prepared by: Connie J. Sipe/klw

Phone: 563-5654

Division: Senior Services

Date: 24-Jan-97

Approved by Commissioner: Mark Boyer

Date: 1/24/97

Agency: Department of Administration

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FISCAL NOTE

No. 2

STATE OF ALASKA
1997 LEGISLATIVE SESSION

Version: SB73

(S) Publish Date: 1/30/97

Revision Date: _____
Title: Citizens' Foster Care Review Board
Sponsor: Governor
Requestor: Rules Committee

Dept. Affected: Health and Social Services
BRU: Family and Youth Services
Component: DFYS Central Office
COMPONENT SERIAL NO. 259
See also (SN#): _____

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY98	FY99	FY00	FY01	FY02	FY03
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 EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGES IN REVENUES ()						
--------------------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						1
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY97) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

There will be no fiscal impact to the Division if this bill becomes law.

Prepared by: L. Diane Worley, Director
Division: Family & Youth Services

Phone: 465-3191
Date: 01/29/97

Approved by Commissioner: Karen Perdue, Commissioner
Agency: Department of Health & Social Services

Date: 1/29/97

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130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

April 3, 1997

SUBJECT: Sectional Summary of CSSB 73(L&C), "E" version. (Foster Care Review System)

TO: Senator Loren Leman, Chair
Senate Labor and Commerce Committee
Attn: Annette Kreitzer

FROM: Terri Lauterbach
Legislative Counsel *TLauterbach*

Enclosed is the draft CS you requested for SB 73. This memorandum contains a sectional summary of the bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

In general, this bill renames the Citizens' Review Panel for Permanency Planning as the Citizens' Foster Care Review Board and renames the local citizen out-of-home care review panels as, more simply, local review panels.

Section 1. Reflects the new name for the former Citizens' Review Panel for Permanency Planning and extends its termination date to the year 2000.

Section 2. Requires DHSS to notify the state board, rather than a local panel, about a child that DHSS removes from a home.

Section 3. Reflects the name change for the local panels.

Section 4. Reflects the name changes and adds the "safety of the minor" as a reason for disclosure of otherwise confidential information to school officials.

Section 5. Reflects the name changes.

Senator Loren Leman, Chair

April 3, 1997

Page 2

Section 6. Requires DHSS to notify the state board, rather than a local panel, about a child that DHSS removes from a home.

Section 7. Reflects the name changes and adds the "safety of the minor" as a reason for disclosure of otherwise confidential information to school officials.

Section 8. Renames and reconstitutes the state board for review of foster care.

Section 9. Reflects the new make-up and name of the state board. Allows for reappointment of board members.

Section 10. Sets quorum and voting requirements for the state board.

Section 11. Reflects the name change of the state board.

Section 12. Sets twice yearly meeting requirement as a minimum.

Section 13. Allows the state board to have an executive director to whom the board may delegate its powers.

Section 14. Adds new duties for the state board: to apply for private and federal grants and solicit contributions, to award grants or contracts to carry out projects or studies related to improving the foster care system, and to use board staff or award contracts to evaluate applicants for positions on local review panels and to provide training of board members and local review panel members. Changes the board's reporting requirement so that it must provide its annual report to the legislature rather than just notify the legislature that the report is available. (The legislature recently changed almost all annual reporting requirements to be a notification to the legislature; this change would reverse that decision for this board.)

Section 15. Sets the composition requirements for local review panels.

Section 16. Reflects the name change and new composition of the local review panels.

Section 17. Reflects the name change and new composition of the local review panels.

Section 18. Reflects the name change of the local panels. In subsection (b), changes the review time to 90 days after the child is initially removed from home. In subsection (c), adds a provision to give flexibility to the 30-day notice requirement of current law.

Section 19. Requires other executive branch agencies to disclose confidential information to the local panels to assist them in locating persons entitled to participate in a case review.

Senator Loren Leman, Chair

April 3, 1997

Page 3

Section 20. By deleting references to AS 47.12.300 and 47.12.310 in subsection (a), this section may restrict the review panels' access to delinquency records. However, it may be that the references to AS 47.10.090 and 47.10.093 are considered sufficient to retain that access. I recommend that the committee obtain an explanation from DHSS about the intent of this amendment and clarify the bill as considered necessary.

Section 21. Describes the interaction between the court and the local review panels.

Section 22. Reflects the name changes for the board and local panels and introduces a new gross negligence standard for their civil liability.

Section 23. Changes definitions to reflect the name changes for the board and local panels.

Section 24. Repeals subsections of law whose subject matter (quorum and officers) has been added in other parts of the bill.

Section 25. Allows phased-in implementation of the bill with full implementation within two years.

Section 26. Gives the bill an immediate effective date.

TML:glc
97-222.glc

CS FOR SENATE BILL NO. 73(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

**Offered:
Referred:**

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the citizen review board and panels for permanency planning
2 for certain children in state custody; renaming the Citizens' Review Panel for
3 Permanency Planning as the Citizens' Foster Care Review Board; extending the
4 termination date of the Citizens' Foster Care Review Board; relating to disclosures
5 about certain minors; and providing for an effective date."

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

7 * Section 1. AS 44.66.010(17) is amended to read:

8 (17) Citizens' Foster Care Review Board [PANEL FOR
9 PERMANENCY PLANNING] under AS 47.14.200 -- June 30, 2000 [1997];

10 * Sec. 2. AS 47.10.080(m) is amended to read:

11 (m) Within 60 days after the date a child is removed from the child's home by
12 the department, the department shall notify the Citizens Foster Care Review Board
13 [APPROPRIATE LOCAL CITIZEN OUT-OF-HOME CARE REVIEW PANEL]
14 established in AS 47.14.200 [UNDER AS 47.14.220].

1 * Sec. 3. AS 47.10.080(n) is amended to read:

2 (n) Within 60 days after a court orders a child committed to the department
3 under (c) of this section and at a review under (f) or (l) of this section, the department
4 shall inform the parties about the local [CITIZEN OUT-OF-HOME CARE] review panel
5 established under AS 47.14.220.

6 * Sec. 4. AS 47.10.093(b) is amended to read:

7 (b) A state or municipal agency or employee may disclose information regarding
8 a case to

9 (1) a guardian ad litem appointed by the court or to a citizen review
10 board or local review panel for permanency planning authorized by AS 47.14.200 or
11 47.14.220;

12 (2) a person or an agency requested to provide consultation or services
13 for a minor who is subject to the jurisdiction of the court under AS 47.10.010;

14 (3) school officials as may be necessary to protect the safety of the
15 minor who is the subject of the case and the safety of school students and staff;

16 (4) a governmental agency as may be necessary to obtain that agency's
17 assistance for the department in its investigation or to obtain physical custody of a child;
18 and

19 (5) a state or municipal law enforcement agency as may be necessary for
20 a specific investigation being conducted by that agency or for disclosures by that agency
21 to protect the public safety.

22 * Sec. 5. AS 47.10.142(g) is amended to read:

23 (g) Within 60 days after a court orders a child committed to the department
24 under this section, the department shall inform the parties about the local [CITIZEN
25 OUT-OF-HOME CARE] review panel established under AS 47.14.220.

26 * Sec. 6. AS 47.12.120(h) is amended to read:

27 (h) Within 60 days after the date a minor is removed from the minor's home by
28 the department, the department shall notify the Citizens' Foster Care Review Board
29 [APPROPRIATE LOCAL CITIZEN OUT-OF-HOME CARE REVIEW PANEL]
30 established in AS 47.14.200 [UNDER AS 47.14.220].

31 * Sec. 7. AS 47.12.310(b) is amended to read:

32 (b) A state or municipal agency or employee may disclose information regarding

1 a case to

2 (1) a guardian ad litem appointed by the court or to a citizen review
3 board or local review panel for permanency planning authorized by AS 47.14.200 -
4 47.14.220;

5 (2) a person or an agency requested to provide consultation or services
6 for a minor who is subject to the jurisdiction of the court under this chapter;

7 (3) school officials as may be necessary to protect the safety of the
8 minor who is the subject of the case and the safety of school students and staff;

9 (4) a governmental agency as may be necessary to obtain that agency's
10 assistance for the department in its investigation or to obtain physical custody of a minor;

11 (5) a state or municipal law enforcement agency as may be necessary for
12 a specific investigation being conducted by that agency or for disclosures by that agency
13 to protect the public safety; and

14 (6) a victim as may be necessary to inform the victim about the
15 disposition or resolution of a case involving a minor.

16 * Sec. 8. AS 47.14.200(a) is repealed and reenacted to read:

17 (a) There is created in the Department of Administration the Citizens' Foster
18 Care Review Board. The board consists of seven public members appointed by the
19 governor from among persons who have training, experience, special knowledge, or a
20 demonstrated interest in the welfare of children. An out-of-home care provider or a
21 person employed by the court system, the Department of Health and Social Services, the
22 office of public advocacy, the Public Defender Agency, or the Department of Law may
23 not serve as a public member of the board. The governor shall appoint at least one
24 public member from each judicial district and shall appoint persons who are reasonably
25 representative of the various social, economic, racial, ethnic, and cultural groups of the
26 judicial district from which the members are appointed. The governor may not appoint
27 a person who has committed a felony or violated AS 11.51.130 or a law with
28 substantially similar elements. The board also includes the following state officials or
29 their designees:

30 (1) the commissioner of health and social services as a nonvoting
31 member;

32 (2) the director of the office of public advocacy;

1 (3) the attorney general as a nonvoting member;

2 (4) the public defender appointed under AS 18.85.030.

3 * Sec. 9. AS 47.14.200(b) is amended to read:

4 (b) Public [APPOINTED] members of the board [STATE PANEL] serve at the
5 pleasure of the governor for staggered terms of three years or until their successors are
6 appointed. These members may not serve more than two consecutive full terms,
7 except that they may be reappointed to one or two additional consecutive full terms
8 if they have been off the board for at least three years immediately preceding the
9 reappointment.

10 * Sec. 10. AS 47.14.200(c) is amended to read:

11 (c) The [VOTING] members of the board [STATE PANEL] shall elect from
12 among the public [VOTING] members a chair who shall serve for one year. Five
13 [THREE VOTING] members of the board [STATE PANEL] constitute a quorum for
14 the transaction of business if at least three of the public members are present. The
15 board [PANEL] may not take official action without the affirmative vote of at least three
16 of its members, with at least two of the affirmative votes being made by public
17 members.

18 * Sec. 11. AS 47.14.200(d) is amended to read:

19 (d) Members of the board [STATE PANEL] are entitled to reimbursement for
20 actual expenses necessary to perform their duties as board [STATE PANEL] members.
21 The reimbursement may not exceed the amount of per diem and travel expenses
22 authorized for boards and commissions under AS 39.20.180.

23 * Sec. 12. AS 47.14.200(e) is amended to read:

24 (e) The board [STATE PANEL] shall meet at least twice annually. Meetings
25 may take place telephonically.

26 * Sec. 13. AS 47.14.200(f) is amended to read:

27 (f) The board [STATE PANEL] may employ an executive director [A
28 PROGRAM COORDINATOR] who shall serve at the pleasure of the board [STATE
29 PANEL]. The executive director [PROGRAM COORDINATOR] shall employ staff
30 as necessary to carry out the executive director's [PROGRAM COORDINATOR'S]
31 duties under board [STATE PANEL] directives and to provide technical [CLERICAL]
32 assistance to local review panels. The board may delegate duties to the executive

1 director as necessary to assist the board in administering AS 47.14.200 - 47.14.299.

2 * Sec. 14. AS 47.14.210 is amended to read:

3 Sec. 47.14.210. Powers and duties [DUTIES] of the board [STATE PANEL].

4 The board [STATE PANEL] shall

5 (1) hold regular and special meetings the board considers necessary:

6 (2) adopt regulations necessary [BY REGULATION ADOPT
7 POLICIES AND PROCEDURES] to carry out its duties and to govern the performance
8 of the duties of the local review panels established under AS 47.14.220;

9 (3) [(2)] ensure that the public members of the board and of the local
10 review panels [PANEL MEMBERS] receive the [MINIMUM] level of training
11 necessary to effectively carry out their duties, document in the board's records that
12 the public members of local review panels have completed the training, and ensure
13 that a public member of a local review panel does not review a case until training
14 has been received;

15 (4) [(3)] coordinate and review the activities of the local review panels;

16 (5) apply for private and federal grants and solicit contributions,
17 gifts, and bequests to administer and implement AS 47.14.200 - 47.14.299;

18 (6) award grants or contracts from available money to local
19 governmental or public or private non profit agencies to carry out projects or
20 studies related to improving the system for permanency needs of children in state
21 foster care;

22 (7) use board staff to evaluate applicants for public members of local
23 review panels and to provide training to local review panel members [AND MAKE
24 RECOMMENDATIONS TO THE GOVERNOR ON APPOINTMENTS TO THE
25 LOCAL PANELS];

26 (8) [(4)] prepare a report annually, by the 10th day of each regular
27 session of the legislature, concerning the activities of the state board and the local
28 review panels during the previous fiscal year; the report must include the number of
29 cases reviewed by each local review panel, a description of the characteristics of the
30 children whose cases were reviewed by the local review panels, the number of children
31 reunited with their families, the number of children placed in other permanent homes,
32 systemic barriers to achieving permanency for children, and recommendations and

1 justifications for [PROGRAM] improvement in services and programs provided to
2 children, including recommendations relating to state agencies and to the panel review
3 system; the report may contain other information on the experience of the local review
4 panels; the board [STATE PANEL] shall provide the governor and [NOTIFY] the
5 legislature with [THAT] the report [IS AVAILABLE].

6 * Sec. 15. AS 47.14.220 is amended to read:

7 Sec. 47.14.220. Appointment of local review panels. (a) The board
8 [GOVERNOR] shall appoint for each judicial district at least [A LOCAL CITIZEN
9 OUT-OF-HOME CARE REVIEW PANEL COMPOSED OF] five persons available to
10 serve as public members on local review panels [AND TWO ALTERNATES] who are
11 residents of the judicial district. Public members [MEMBERS] shall serve staggered
12 [THREE-YEAR] terms of three years or until their successors are [EXCEPT THAT,
13 WHEN A LOCAL PANEL IS INITIALLY] appointed. Public members may not serve
14 more than two consecutive full terms, except that, after being off all panels for at
15 least three years, a member may be reappointed to one or two consecutive full
16 terms [, TWO MEMBERS SHALL BE APPOINTED FOR THREE-YEAR TERMS,
17 TWO MEMBERS FOR TWO-YEAR TERMS, AND ONE MEMBER FOR A ONE-
18 YEAR TERM. ALTERNATES SHALL BE APPOINTED TO THREE-YEAR TERMS].

19 (b) The board [GOVERNOR] shall appoint as public members [TO A LOCAL
20 PANEL] persons who have training, experience, special knowledge, or a demonstrated
21 interest in the welfare of children. An out-of-home care provider or a person employed
22 by the court system, the department, the office of public advocacy, the Public Defender
23 Agency, or the Department of Law may not serve as a public member [OR
24 ALTERNATE MEMBER] of a local review panel. The board [GOVERNOR] may not
25 appoint a person who has committed a felony or violated AS 11.51.130 or a law with
26 substantially similar elements.

27 (c) The public members [COMPOSITION] of a local review panel must be
28 reasonably representative of the various social, economic, racial, ethnic, and cultural
29 groups of the district from which the members are appointed.

30 (d) If the board [STATE PANEL] determines that additional public members
31 [LOCAL PANELS] are necessary in a judicial district because of excessively large or
32 complex caseloads for review or because of the demographics of cases [, OR

1 DETERMINES THAT A LOCAL PANEL IS NOT NECESSARY BECAUSE OF A
2 REDUCED CASELOAD], the board [GOVERNOR] may appoint additional public
3 members [CREATE OR DISSOLVE A LOCAL PANEL. THE GOVERNOR MAY
4 NOT REDUCE THE NUMBER OF PANELS IN A JUDICIAL DISTRICT TO FEWER
5 THAN ONE]. Appointments of public members [TO A PANEL ESTABLISHED]
6 under this subsection are governed by (a) - (c) of this section. Public members serve
7 on the panel at the pleasure of the board.

8 (e) When a person is appointed to serve as a public member on a local review
9 panel, the person shall swear or affirm in writing to keep confidential all information
10 that comes before the local review panel except for nonidentifying case information
11 included in a report to the state board [PANEL], information for reports required under
12 AS 47.17, or as required by court order for good cause shown. A public member of
13 a local review panel [MEMBER] may also share confidential information, on a need to
14 know basis, with other members of the local review panel, the board, and the staff who
15 serve the board or local review panel.

16 * Sec. 16. AS 47.14.230(a) is amended to read:

17 (a) A local review panel shall conduct its meetings in the judicial district in
18 which its public members reside.

19 * Sec. 17. AS 47.14.230(d) is amended to read:

20 (d) A public member of a local review panel [MEMBER] is not eligible for
21 travel expenses, per diem, or other expenses for service on the local review panel unless
22 the state board [PANEL] requires the public [A LOCAL PANEL] member to travel to
23 attend a meeting. If the state board [PANEL] requires a public member of a local
24 review panel [MEMBER] to travel to attend a meeting, the public [LOCAL PANEL]
25 member is entitled to reimbursement for actual expenses incurred by the member in
26 attending the meeting, except that the reimbursement may not exceed the amount of per
27 diem and travel expenses authorized for boards and commissions under AS 39.20.180.

28 * Sec. 18. AS 47.14.240 is amended to read:

29 Sec. 47.14.240. Duties of local review panel. (a) A local review panel shall
30 review the case plan of each child in the custody of the department who is in a
31 placement other than the child's own home under AS 47.10.080(c)(1) or (3), 47.10.142,
32 [AS 47.12.120(b)(3),] or AS 47.14.100(c) if the case is under the jurisdiction of a court

1 in the judicial district served by the local review panel. A local review panel may
2 request a local review panel in another judicial district to conduct a review and make a
3 report if that local review panel is more convenient for the child and other persons
4 involved.

5 (b) The local review panel shall review a case as required under 42 U.S.C. 671 -
6 675 (P.L. 96-272) within 90 [180] days after the day the child is initially removed from
7 the child's home and every six months thereafter. A court review may be substituted for
8 a review required under this subsection if the court review meets the requirements of this
9 subsection.

10 (c) At least 30 days before the local review panel [IT] begins a review, or as
11 soon as practicable, the staff of the local review panel or of the state board shall
12 provide written notice to the following persons that a review will be conducted and that
13 each person notified may participate in the review:

- 14 (1) the appropriate employees of the department;
- 15 (2) the child or the child's legal representative;
- 16 (3) the child's parents;
- 17 (4) the child's guardian;
- 18 (5) the child's guardian ad litem;
- 19 (6) the child's out-of-home care provider; and
- 20 (7) if the case is governed by 25 U.S.C. 1901 - 1963 (Indian Child
21 Welfare Act),
 - 22 (A) the child's Indian custodian; and
 - 23 (B) the designated representative of the child's Indian tribe if the
24 tribe has intervened in the court case.

25 (d) In reviewing a case, the local review panel shall consider the case plan and
26 any progress report of the department or the child's guardian ad litem, court records, and
27 other relevant information about the child and the child's family. Department staff
28 [THE LOCAL PANEL] shall [ALSO] provide to the following persons an opportunity
29 to be interviewed by the local review panel in person or by telephone or to provide
30 written material to the local review panel:

- 31 (1) the child whose case is being reviewed if the child is 10 years of age
32 or older;

- 1 (2) the parents, custodians, or other relatives of the child;
2 (3) the child's out-of-home care provider;
3 (4) the child's guardian;
4 (5) the child's guardian ad litem;
5 (6) the case worker or social worker assigned to the case;
6 (7) if the case is governed by 25 U.S.C. 1901 - 1963 (Indian Child
7 Welfare Act),

8 (A) the child's Indian custodian; and

9 (B) the designated representative of the child's Indian tribe if the
10 tribe has intervened in the court case; and

11 (8) other persons with a close personal knowledge of the case.

12 (e) At the discretion of the child's guardian ad litem, if the child whose case is
13 being reviewed is under 10 years of age, the child may be present at interviews
14 conducted under (d) of this section and during review by the local review panel [,] or
15 may be interviewed. At the child's request, a child who is 10 years of age or older shall
16 be allowed to be present at interviews or a review of the local review panel that
17 concerns the child's case unless the panel determines that for good cause the child's
18 presence would be contrary to the best interests of the child or there is other good cause
19 for denying the child's request.

20 (f) During a review under (a) of this section, a local review panel shall

21 (1) determine whether the child has a case plan designed to achieve
22 placement in the least restrictive, most family-like setting available in close proximity
23 to the home of the child's parents that is consistent with the best interests [C.] and
24 special needs and circumstances of the child;

25 (2) evaluate the continuing necessity and appropriateness of the child's
26 placement, the extent of the compliance with the child's case plan, and the extent of
27 progress that has been made toward mitigating the causes that necessitated placement
28 away from the child's parents;

29 (3) ascertain the date by which it is likely the child may be returned to
30 the home or placed for adoption or legal guardianship;

31 (4) determine whether there has been compliance with applicable
32 provisions of 25 U.S.C. 1901 - 1963 (Indian Child Welfare Act) and other applicable

1 state and federal laws; and

2 (5) determine whether there has been compliance with court review
3 requirements of AS 47.10.080(f) and (l) and [,] 47.10.142(h) [, AND AS 47.12.120(d)
4 AND (g)].

5 (g) The local review panel shall within 15 [30] days after reviewing the case
6 submit a written report to the persons listed in (c) of this section.

7 (h) The report required under (g) of this section must make advisory
8 recommendations based on the best interests of the child in accordance with
9 AS 47.10.082 and must include notification of the right to request court review under
10 AS 47.10.080(f) [OR AS 47.12.120(d), AS APPROPRIATE]. If the court has scheduled
11 the case for review, the local review panel shall submit its report at least 20 days before
12 the hearing.

13 (i) The local review panel shall report to the state board [PANEL] information
14 needed by the state board [PANEL] to prepare the report required under AS 47.14.210.

15 * Sec. 19. AS 47.14.250 is amended to read:

16 **Sec. 47.14.250. Cooperation with state board and local review panels.** The
17 department, Department of Law, other departments of the executive branch, public
18 defender, office of public advocacy, and court system shall cooperate with the state
19 board [PANEL] and the local review panels to facilitate timely review of plans for
20 children whose cases are reviewed under AS 47.14.200 - 47.14.299. The duty of
21 executive branch agencies to cooperate under this section extends to the provision
22 of addresses and other information necessary for a local panel to locate a person
23 entitled to participate in a review under AS 47.14.240(c) or (d) notwithstanding that
24 providing the addresses or other information may be prohibited under other laws
25 relating to those agencies [THE JURISDICTION OF THE PANELS].

26 * Sec. 20. AS 47.14.260 is amended to read:

27 **Sec. 47.14.260. Records: communications.** (a) Notwithstanding AS 47.10.090
28 and [,] 47.10.093 [, AS 47.12.300, and 47.12.310], at the request of a local review
29 panel, the department, a municipality, the child's guardian ad litem, and the court shall
30 furnish to the local review panel relevant records concerning a child and the child's
31 family who are the subjects of a local panel review. At the conclusion of a review, all
32 copies of records provided to a local review panel under this section shall be returned

1 to the staff that serves the local review panel or to the agency from which the original
2 copy was obtained unless the local review panel members need the copies to prepare the
3 reports required under AS 47.14.240(g) - (i). Copies retained for preparation of the
4 reports shall be returned to the staff that serves the local review panel or to the
5 originating agency upon completion of the reports. Notwithstanding AS 44.62.310,
6 records and reports of the local review panel, testimony before the local review panel,
7 and deliberations of the local review panel are confidential under AS 47.10.090 [AND
8 AS 47.12.310].

9 (b) A public member of a local review panel [MEMBER] may not reveal to
10 another person, other than another member of the local review panel or the staff serving
11 the local review panel, a communication made to the member while performing the
12 member's duties under AS 47.14.200 - 47.14.299 except as required under AS 47.17 or
13 as required by court order for good cause shown. A public member of a local review
14 panel [MEMBER] may share with the state board [PANEL] communications made
15 during the public [LOCAL PANEL] member's performance of official duties if the
16 public [LOCAL PANEL] member omits identifying information.

17 (c) A local review panel proceeding is not governed by AS 44.62.310.

18 * Sec. 21. AS 47.14.270 is repealed and reenacted to read:

19 Sec. 47.14.270. Court review of report. (a) The local review panel shall
20 submit its final report to the court to aid the court in its review of temporary custody
21 orders issued under AS 47.10.142 and in its dispositional hearings and reviews under
22 AS 47.10.080 and 47.10.083.

23 (b) The court may refer to the board for assignment to a local review panel a
24 case called for a special review under AS 47.10.080(f), as appropriate.

25 * Sec. 22. AS 47.14.280 is amended to read:

26 Sec. 47.14.280. Immunity [INDEMNIFICATION] of board and panel
27 members. A state board [PANEL] member and a local review panel member shall be
28 immune from [INDEMNIFIED BY THE STATE FOR] civil liability for a negligent act
29 or omission of the board or panel member that occurs in the performance of the
30 member's duties under AS 47.14.200 - 47.14.299 unless the civil liability results from
31 the panel member's gross negligence or violation of

32 (1) AS 47.14.260(b); or

1 (2) the oath or affirmation required of a local review panel member
2 under AS 47.14.220(e).

3 * Sec. 23. AS 47.14.299 is amended to read:

4 Sec. 47.14.299. Definitions. In AS 47.14.200 - 47.14.299,

5 (1) "board" means the state board;

6 (2) "department" means the Department of Health and Social
7 Services;

8 (3) [(1)] "local review panel" means a local [CITIZEN OUT-OF-HOME
9 CARE] review panel appointed under AS 47.14.220;

10 (4) [(2)] "out-of-home care provider" means an agency or person, other
11 than the child's legal parents, with whom a child who is in the custody of the state under
12 AS 47.10.080(c)(1) or (3), 47.10.142, [AS 47.12.120(b)(3),] or AS 47.14.100(c) is
13 currently placed; in this paragraph, "agency or person" includes a foster parent, a relative
14 other than a parent, a person who has petitioned for adoption of the child, and a
15 residential child care facility;

16 (5) "panel" means a local review panel;

17 (6) [(3)] "state board [PANEL]" means the Citizens' Foster Care

18 Review Board [PANEL FOR PERMANENCY PLANNING] established in [UNDER]
19 AS 47.14.200.

20 * Sec. 24. AS 47.14.230(b) and 47.14.230(c) are repealed.

21 * Sec. 25. TRANSITION. (a) Notwithstanding secs. 1 - 24 of this Act, the commissioner
22 of administration may phase in implementation of this Act. Local review panels shall begin
23 hearing all cases covered by this Act in Anchorage as soon as possible. Subject to
24 appropriations, local review panels shall be implemented in the remainder of the state as soon
25 as practicable.

26 (b) To the maximum extent for which appropriations are available, local review panels
27 shall be in place in all judicial districts no later than 24 months after the effective date of this
28 Act.

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

Alaska State Legislature

Senate



Official Business

State Capitol
Juneau, AK. 99801-1182

MEMO

TO: Terri Lauterbach, Legislative Counsel
Legislative Legal Services
v. c. for this page. [Signature]

FROM: Annette Kreitzer, Aide to
Senate Labor & Commerce Committee

DATE: April 2, 1997

RE: Committee Substitute for SB 73: Foster Care Review Panel

Please prepare a committee substitute for SB 73 incorporating all of the changes in LS0496F (for HB 127) dated March 24, 1997.

TONY KNOWLES
GOVERNOR



P.O. Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500
Fax (907) 465-3532

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 30, 1997

The Honorable Mike Miller
President of the Senate
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Mike
Dear President Miller:

One of the services provided for abused, neglected or delinquent youths in the state's custody is placement in foster care. It is essential these placements receive periodic review to ensure the children's needs are being met. However, the statutory mandate to conduct regular citizen reviews statewide is not currently carried out, primarily because of lack of funding and a burdensome and duplicative review structure. This bill, as part of my package of bills introduced today based on the recommendations of the Governor's Conference on Youth and Justice, restructures the foster care review system to improve the foster care program for our children.

Existing law specifies that local foster care review panels be established statewide, each composed of five volunteer citizen members. The costs of recruiting and training the volunteers and then conducting the reviews far exceed the level of funding appropriated to date. The result is that review panels have only existed in the Anchorage area and, even then, cover only a fraction of the total number of children in foster care.

At the same time, to comply with federal law, the Department of Health and Social Services (DHSS) reviews foster care cases using panels consisting of at least two department members and one citizen volunteer member.

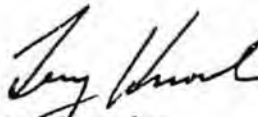
Under this bill, the newly named Citizens' Foster Care Review Board housed within the Department of Administration is reduced from ten members to nine, with five being public members. The statewide board will appoint and train citizens for the local review panels, each consisting of three public members and two members from the DHSS. The panel will be chaired by one of the public members, but the department will schedule the reviews, provide notification to necessary participants, and draft the panel reports.

The Honorable Mike Miller
January 30, 1997
Page 2

This new structure will meet both the federal and state requirements within one foster care review system, thereby avoiding the current wasteful duplication of services. The cost of operating the review panels will also be greatly reduced by relying on the staff support from the DHSS.

Most importantly, this new system will enable the establishment of citizen review panels statewide. This means the state can follow through on its responsibility to oversee the foster care program and provide the quality of services our children in need deserve.

Sincerely,



Tony Knowles
Governor

02/13/97

LEGISLATIVE TELECONFERENCE NETWORK SYSTEM

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PUBLIC HEARING

SENATE LABOR & COMMERCE

LOCATION:FAIRBANKS

SB 73

MR.

SCOTT

CALDER

TESTIFY



ALASKA STATE LEGISLATURE

PLEASE ENTER INTO THE RECORD MY TESTIMONY TO THE SENATE L+C,
 COMMITTEE ON SB 73 DATED 2-13-97
COMMITTEE NAME
BILL/SUBJECT

UNDER THIS COVER PLEASE
 FIND A DOCUMENT WHICH COULD
 NOT EXIST IN A WORLD IN WHICH,
 A.S. 47.14.200 (ET SEQ.) THE CITIZEN'S
 REVIEW PANEL FOR PERMANENCY PLANNING
 ACT OF 1990 WOULD HAVE BEEN PROPERLY
 IMPLEMENTED BY THE ADMINISTRATION.

IT IS NOT TRUE, THAT IS TO
 SAY IT IS FALSE WHEN PERSONNEL
 OF THE ADMINISTRATION CLAIM THAT
 "LACK OF FUNDING" IS THE REASON OUR
 GOVERNOR IS IN VIOLATION OF A.S. 47.14.220
 THE ONLY PEOPLE WHO NEED THESE
 LAWS ALREADY ON THE BOOKS ARE PEOPLE
 LIKE ME, WHO WANT CITIZEN REVIEW, NOT MEDIA
 PROPAGANDA.

SIGNED [Signature]
 TESTIFIER

SELF, CONCERNED PARENTS FOR REFORM
 REPRESENTING (OPTIONAL)

P.O. 75011 FBKS, AK. 99707 474-0174
 ADDRESS/PHONE NUMBER

SCOTT TRAFFORD CALDER
P.O. Box 75011
Fairbanks, Alaska 99707
(907) 474-0174

February 4th, 1997

STATE OF ALASKA DEPARTMENT OF REVENUE
Child Support Enforcement Division (C.S.E.D.)
P.O. Box 103440
Anchorage, Alaska 99510-3440
(907) 269-6659

REQUEST FOR REVIEW

I hereby request a review of C.S.E.D. actions and intended actions, and request full discovery of all records, based upon the following facts:

1) The department has provided a defective "NOTICE OF INTENT TO SUSPEND OR DENY THE ISSUANCE OR RENEWAL OF DRIVER'S LICENSE", which does not reference any reason other than "Our records show" to support the claim that a valid assertion of an alleged debt exists.

2) The records of the department show that Scott T. Calder, entered the C.S.E.D. office in Fairbanks, Alaska, for assistance to receive child support payments from the mother, one Jody Buckingham, of the child, one David B. Calder, on or about August 5th, 1992. Scott T. Calder sought the services of the department at that time, to obtain relief, and was sent away by staff who said "You may as well not bother to submit an application for services because we won't help you".

3) The child, David B. Calder, who had been in the sole physical custody of Scott T. Calder from May 24th, 1989 to April 9th, 1993 (about four years), and was afterward illegally and unethically maintained in the custody of the State of Alaska, should have benefitted from support from the mother during that time. However, Jody Buckingham has never paid any amount of child support to Scott T. Calder, for David Calder, having promised to do so at the time she sent the child to live with his father who is now the preferred target of C.S.E.D.

4) Records of the Alaska Departments of Health and Social Services, Administration, Revenue, Law, The Office of Public Advocacy, Public Defender Agency, The Office of The Governor, The Alaska Legislature, The Ombudsman's Office, The Federal Social Security Administration, Family Centered Services of Alaska, Fairbanks Community Mental Health Center, Fairbanks North Star Borough School District, Fairbanks Counseling and Adoption, The Superior Court of Alaska For the Fourth Judicial District, The U.S. Attorney's Office, and other persons and agencies, clearly show that David B. Calder, had been subjected to approximately seven years of physical abuse in the State of Maryland, prior to residing with Scott T. Calder in 1989.

Page Two; Calder/C.S.E.D.; Review Request.

5) The child, detained by authorities after his father had reported him as a runaway minor, assaultive, and truant from school, was endangered in an irresponsible foster home, protracting an otherwise temporary emergency by withholding minimum necessary services: intervening with school officials to correct neglect on their part, support existing nurture and guidance provided by Scott Calder to his son, and help to obtain child support payments from the mother to the father of David Calder. David Calder was rewarded for and aided in misconduct.

6) On or about May 11th, 1993, Scott T. Calder applied a second time for child support from the mother. Twenty-three months afterward, when the father had complained about drug experiments being performed on his child, the financial statement from that application was misrepresented by Karla Taylor Welch and Hazel Straub as a reason to claim, in effect, that Scott Calder should pay for his son to be abused, and for "authorities" to collude in child abuse, fraud, evidence and witness tampering, obstruction of justice, misappropriation of public funds.

7) Based upon discriminatory and prejudicial treatment of the father, on or about September 5th, 1993, the Alaska Department of Health and Social Services Division of Family and Youth Services (D.H.S.S./D.F.Y.S.) completed application for payments to ITSELF, from a federally funded Supplemental Security Income (S.S.I.) account, fraudulently created in the name of "DFYS for David Calder". The child was used to supply the state of Alaska with monetary proceeds, based upon the claim by the State of Alaska, that he had either "a behavior disorder" or "a drug problem", when in fact, the state had repeatedly encouraged delinquent behavior in the child, and had failed to offer any treatment whatsoever which would have been proper, given existing, known facts. Furthermore, the state engaged in custodial interference by refusing to uphold responsible actions of the parent Scott Calder whose authority should not have been questioned, by ignoring barriers to the child's education which were properly addressed by Scott Calder, and by refusing to assist in obtaining child support payments from the child's mother to the child's father.

8) The two previous child support applications requesting support from the mother were rejected without due process, and exploitation of the child substituted for "care", instead.

9) The State of Alaska, its agents, contractors, employees, by fraud and arbitrary and capricious exercise of power under color of law, created and used as an instrument of violence against Scott T. Calder, a "Childrens' Proceedings Support Order", punitively. This was an attempt to silence the truth about improper drug experiments performed on the child, denial of due process, unethical legal practices, gross negligence and other misconduct by the state, its agents, contractors and employees. Instead of acting to ensure that school district employees cooperated with the child's father, that the child's mother paid any amount of child support to the child's father, and that the child was told clearly to obey his father's correct

Page Three; Calder/C.S.E.D.; Review Request.

instructions to attend school and refrain from habitually dishonorable behavior, the state did the opposite of these things.

10) Richard Cline, an employee of Family Treatment Homes, under the supervision of Janice Lorenzen and Sarah McConnell and Doug Pomeroy, as contractors to D.F.Y.S./D.H.S.S. knowingly provided cigarettes to David Calder by offering an allowance of money with which the child was to purchase the tobacco from the foster parent and then allowed to consume it on the premises of the specialized foster home at Anderson Apartments in Fairbanks, Alaska. According to Ms. Lorenzen it was thought that this would develop a trusting relationship between Mr. Cline and David Calder, even though the child was only fourteen years of age and in need of help to return home to his own loving father.

Mr. Cline, an agent of the state, provided the tobacco.

Scott Calder complained about this practice to Ms. Lorenzen, who stated, as did Mr. Cline, that the child would have been expected to steal cigarettes anyway, were they not provided at program expense, and the practice of providing the tobacco to the minor would serve to "keep him from getting into more trouble". Mr. Calder knew, and stated, that this would have the opposite effect, which it has. Numerous similar errors in judgement were made by so-called "experts" and "authorities", that resulted in severe torment, and in destruction of familial bonds.

11) David Calder was released from approximately three and a half years of state-sponsored custody, to his father, in August, 1996, after being locked in a building for over a year. It was the boy's continued cooperation with official misconduct that resulted in his continued custody by the state. The child was indoctrinated that his father's continued objections were meaningless, leaving the child to understand that he could find unconditional attention for misconduct and be immune from discipline by his father, just as the boy's captors were immune from the truth. This was a political imprisonment of both David Calder and Scott Calder.

12) Scott Calder took every opportunity to communicate with each and every, or any, employee and agent of the State of Alaska, to provide important information about his son's true needs, and to address each particular error and violation committed by state agents et al. against both father and son, to no avail. This continued from April 9th, 1993 to August 1996, and afterward up to the present time at which point it is clear that the child will not benefit from having his father, who is the child's main source of support, lose his driver's license.

13) David Calder and Scott Calder have both been permanently scarred by improper, unethical, unlawful, dishonest, and unconscionable conduct of state officials and their designees. These violations of Alaska Statutes, federal laws, The Constitution of The United States of America and international

Page Four; Calder/C.S.E.D.; Review Request.

accords on human rights entitle the Calder Family to monetary, equitable, and other relief [A.S.18.80.200, A.S.18.80.210, and A.S.22.10.020 (1)] in addition to child support payments from Ms. Buckingham for the period, May 25th, 1989 to May 25th, 1997, NOT further sanctions, harassment, and assaults against David Calder and Scott Calder.

14) The Alaska Legislature, In a Special Act, created in the Department of Administration The Citizens' Review Panel For Permanency Planning, under A.S. 47.10.400 (et seq.), AND required that the Department of Health and Social Services, the Department of Law, the Office of Public Advocacy, The Public Defender Agency, and The Alaska Court System cooperate with local out-of-home-care external citizen review panels, and the state panel, to facilitate the timely reviews of children in the custody of the state, under A.S. 47.10.450. No reviews of these cases, one of which is that of David Calder and his



TELECOPY COVER SHEET

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ALASKA CHAPTER

**NATIONAL ASSOCIATION OF SOCIAL WORKERS
ALASKA CHAPTER**

525 Main Street, Juneau AK 99801
586-4438 1-800-478-6279 Fax: 586-4439
naswak@alaska.net

Testimony Regarding

SB 73 - FOSTER CARE REVIEW BOARDS

**Before the
LABOR AND COMMERCE COMMITTEE
ALASKA SENATE
February 13, 1997**

**Presented by
Angela M. Salerno, ACSW
Executive Director,
National Association of Social Workers Alaska Chapter**



NATIONAL ASSOCIATION OF SOCIAL WORKERS ALASKA CHAPTER

525 Main Street, Juneau AK 99801
586-4438 1-800-478-6279 Fax: 586-4439
naswak@alaska.net

The National Association of Social Workers (NASW) is the world's largest organization of professional social workers. NASW's 155,000 members nationwide and 460 in Alaska work in a wide range of settings at all levels in the public and private sectors. Professional social workers focus on vulnerable populations and promote state and federal policies which enhance the lives of the people we serve.

NASW supports SB 73 and strongly recommends its passage.

The Citizens Foster Care Review Board is a proven tool in permanency planning. Citizens review is an examination and monitoring process performed in response to long-term, unresolved foster care placements. Federal law mandates a periodic and systematic review of the situation of each child in foster care, with the intent of either reuniting the child with the birth family, or terminating parental rights and pursuing adoption. Review by a body external to the state child protection agency, such as a citizens review body, ensures a fresh perspective and aggressive stance on achieving permanency.

SB 73 expands the opportunity for citizens to have a voice in promoting stable, secure homes for children. A Citizen's Review Board is currently operating in Anchorage only, still a "pilot program." This bill will provide the means by which local people around the state can get the funding and technical assistance needed to bring citizens review to their communities.

Creation of a Citizens' Foster Care Review Board in the Department of Administration will promote needed interagency collaboration. The appointments of state officials from Health and Social Services, the Office of Public Advocacy, the office of the Attorney General and the Public Defender will ensure that all state departments involved in securing permanency for children are involved in productive decision-making.

Local review panels will ensure that review of and recommendations concerning foster care cases are done in a culturally appropriate manner. The diverse cultures and unique regional needs of Alaska demand participation and decision-making by local citizens. This is especially crucial in the case of Alaska Native families who are protected by provisions of the Indian Child Welfare Act.

Research has shown that citizen review is an effective tool in permanency planning. The National Council of Juvenile and Family Court Judges sponsored the *Concern for Children in Placement Project* which relied on volunteers as case monitors. Researchers evaluating the program found that the volunteer panels fostered substantial reduction in caseloads. (Kitzner, J., Allen M.L. & McGowan, B. *Children Without Homes*. Children's Defense Fund, 1978.)

Citizens' review boards independently assess an individual child's progress through the foster care system and promote expeditious, systematic planning. This bill will ensure that citizen reviewers have autonomous decision-making power, as well as the training and technical assistance they will need to make and form decisions in behalf of children, and the authority to enforce their recommendations.

Thank you for this opportunity to testify. I'm available for questions at any time.

SB

75

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. CSSB 75

Revision Date: _____ Title: <u>An Act relating to the regulation of accountants;</u> and providing for an effective date. Sponsor: <u>Senate Rules Committee</u> Requestor: <u>Senate Labor and Commerce</u>	Department: <u>Commerce and Economic Development</u> BRU: <u>Occupational Licensing</u> Component: <u>Operations</u> COMPONENT SERIAL NO. <u>1844</u>
--	--

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
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 EXPENDITURES						
CHANGE IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other 1091 Designated PR						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 97) cost: \$ 0.0

POSITIONS						
FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)
 CSSB 75 increases the minimum requirements for CPA examination candidates, and recognizes use of the "EA" designation for Enrolled Agents. New funds are not required to implement this bill.

Prepared by:	Jennifer Strickler, Administrative Manager <i>[Signature]</i>	Phone: <u>465-2144</u>
Division:	Occupational Licensing <i>[Signature]</i>	Date: <u>2/11/97</u>
Approved by Commissioner:	William L. Hensley <i>[Signature]</i>	Date: <u>2-12-97</u>
Agency:	Commerce and Economic Development	

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. SB 75

Revision Date: _____ Department: Commerce and Economic Development
 Title: An Act relating to the regulation of accountants; BRU: Occupational Licensing
and providing for an effective date. Component: Operations
 Sponsor: Senate Rules Committee
 Requestor: Senate Labor and Commerce COMPONENT SERIAL NO. 1844

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
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 EXPENDITURES						
----------------------	--	--	--	--	--	--

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

1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other 1091 Designated PR						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 97) cost: \$ 0.0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)
 SB 75 increases the minimum requirements for CPA examination candidates, and recognizes use of the "EA" designation for Enrolled Agents. New funds are not required to implement this bill.

Prepared by: Jennifer Strickler, Administrative Manager Phone: 465-2144
 Division: Occupational Licensing Date: 2/10/97
 Approved by Commissioner: William L. Hensley Date: 2-10-97
 Agency: Commerce and Economic Development

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SENATE COMMITTEE REPORT

First Committee of Referral

DATE: 2/3/97

FURTHER: State Affairs

Date of 5-Day Notice: 2-6-97
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 2-12-97

Labor and Commerce Committee considered

SENATE BILL NO. 75

"An Act relating to the regulation of accountants; and providing for an effective date."

and recommends:

- be replaced with CS SB 75 (L+C)
- adopt previous CS ()
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical title
 - new: SCR _____

SIGNING DQ PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Tom Kelly</i>	✓				
<i>Jimmy Markin</i>	✓				
<i>Steve Hoff</i>					
CHAIR: <i>Loren J. Linn</i>	✓	CHAIR:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal
<i>Commerce/Old, licensing</i>	<i>2/10/97</i>	✓	

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

COMMITTEE PRESENTATION

Senate Bill 75

Requirements for CPA Examinations

SENATE BILL 75 WOULD CHANGE THE APPLICATION CRITERIA FOR TAKING ALASKA'S C.P.A. EXAMINATION EACH MAY AND NOVEMBER. IT WOULD NOT CHANGE THE TEST, NOR THE LICENSING REQUIREMENTS.

IT IS NEEDED BECAUSE OF THE DRAMATIC INCREASE IN FOREIGN NON-RESIDENT APPLICANTS WHO COME TO TAKE THE TEST, BUT WHO DO NOT LIVE OR PRACTICE IN OUR STATE. MANY HAVE NO BACKGROUND IN ACCOUNTING.

CONCERNS FOR THE INTEGRITY OF OUR EXAM PROCESS, AND FOR THE SECURITY OF THE EXAM ITSELF, NECESSITATE CHANGES IN OUR APPLICATION CRITERIA, CURRENTLY THE LOWEST IN THE NATION. RECENTLY, THE STATE OF MONTANA CHANGED ITS MINIMAL REQUIREMENTS TO ELIMINATE THE SAME PROBLEM.

REFERRING TO YOUR PACKET, YOU WILL FIND A SUMMARY SHEET SHOWING THE NUMBERS OF APPLICANTS FOR THE PAST TWO YEARS, AND THE UNUSUAL INCREASE OF FOREIGN APPLICANTS FOR THE NOVEMBER 1996 TEST. THE STATE MAKES NO MONEY ON THESE EXAMS, BUT ONLY ATTEMPTS TO BREAK EVEN, SO THERE IS NO REAL INCENTIVE FOR ALASKA TO PROVIDE THIS SERVICE TO THE WORLD AT LARGE.

THE BILL WOULD ADD TO OUR CURRENT REQUIREMENT OF MERELY HAVING A BACCALAUREATE DEGREE IN ANY SUBJECT IN ORDER TO TAKE OUR C.P.A. EXAM. WE WOULD ADD A MINIMUM AMOUNT OF ACADEMIC COURSE WORK IN COLLEGE LEVEL ACCOUNTING, OR ONE YEAR OF PUBLIC ACCOUNTING EXPERIENCE UNDER THE DIRECT SUPERVISION OF A CERTIFIED PUBLIC ACCOUNTANT, OR THE NEAR-COMPLETION OF A DEGREE PROGRAM IN ACCOUNTING. THESE CHANGES ARE CONTAINED IN SECTION 1.

WE ORIGINALLY HOPED TO ADDRESS THIS PROBLEM IN ORDER TO MANAGE THE MAY 1997 EXAM, HOWEVER, IN DISCUSSIONS WITH THE DIVISION OF OCCUPATIONAL LICENSING, AND IN THE SENATE LABOR

AND COMMERCE COMMITTEE, WE CONCLUDED IT WOULD BE MORE PRUDENT TO ADDRESS THE PROBLEM IN TIME FOR THE NOVEMBER 1997 TEST.

THEREFORE, IN THE L & C COMMITTEE SUBSTITUTE, WE CHANGED THE EFFECTIVE DATE TO JUNE 1ST, 1997. IN THE DRAFT C.S. YOU HAVE, WE HAVE SIMPLY PROVIDED FOR THOSE WHO HAVE ALREADY PASSED AT LEAST TWO COMPONENTS OF THE TEST, THE RIGHT TO TAKE THE REMAINING PORTIONS AFTER THE EFFECTIVE DATE NOW WRITTEN AS JUNE 1ST. THESE CONCERNS ARE ADDRESSED IN SECTIONS 3 AND 4 OF THE BILL.

ANOTHER PROVISION OF SENATE BILL 75, ONE UNRELATED TO THE ABOVE ISSUE, IS TO ALLOW THE PROFESSIONAL USE OF THE DESIGNATION "EA" BY ENROLLED AGENTS, THOSE UNLICENSED ACCOUNTANTS OR TAX PRACTITIONERS ENROLLED BY THE I.R.S. TO ENGAGE IN TAX-RELATED BUSINESS. THIS IS FOUND IN SECTION 2.

THIS BILL IS SUPPORTED BY THE STATE BOARD OF ACCOUNTANCY, THE STATE SOCIETY OF C.P.A.'S, AND THE ALASKA SOCIETY OF INDEPENDENT ACCOUNTANTS.



Official Business

Alaska State Legislature

Senate

Rules Committee

State Capitol
Juneau, AK. 99801-1182

SPONSOR STATEMENT

Senate Bill 75 - CPA Exam Qualifications

SB 75 proposes to change the application criteria for those planning to take the CPA examination in Alaska, now held every May and November. This bill will NOT change the test itself, nor will it change the requirements for licensure in Alaska.

The need for this legislation arises from the dramatic increase in foreign applicants who come to our state to sit for the exam, most of whom will not live and practice in Alaska, and many of whom have no background in accounting. The unusual number of foreign applicants could substantially impact the Division of Occupational Licensing, and the licensing examiner, who is shared with two other boards.

Currently, our requirements call merely for a baccalaureate degree, not an accounting degree, nor any accounting experience. Ours are the lowest standards in the country. Previously, Montana, also with low requirements for application, raised its criteria by emergency order to stem the same problem. Where Alaska usually seats several dozen for the exam, the test being given in May, 1997 may have as many as eight-hundred candidates.

The Alaska State Board Of Public Accountancy uses the uniform certified public accounting examination, the same as used in every other jurisdiction in the country. With such a large number of casual applicants taking the test, issues of security for the national exam and possible liability arise. Section 1 of Senate Bill 75 would institute new standards for those applying to take the CPA exam in Alaska.

Section 2 of the bill would address a lesser and unrelated issue, that of allowing the use of the designation "EA" by enrolled

agents. Enrolled agents are unlicensed accountants or tax practitioners who are enrolled by the Internal Revenue Service to engage in tax-related business. Official recognition of this professional designation must be made in statute.

Section 3 of SB 75 provides for an immediate effective date. The bill is supported by the Alaska State Board of Public Accountancy, and the Alaska Society of Certified Public Accountants.

If there are questions, contact Tim Benintendi at 3770.

02/11/97 LEGISLATIVE TELECONFERENCE NETWORK SYSTEM LTN1150
13:20:27 PARTICIPANT LIST (ALL PARTICIPANTS) BY:MAT
TCN:70231 SCHEDULED FOR:02/11/97 13:30 TO 15:30 FOR:MAT
PUBLIC HEARING SENATE LABOR & COMMERCE
LOCATION:MATSU
SB 75 MR CHARLES GRIFFIN TESTIFY

02/11/97 LEGISLATIVE TELECONFERENCE NETWORK SYSTEM LTN1150
13:29:34 PARTICIPANT LIST (ALL PARTICIPANTS) BY:SIT
TCN:70231 SCHEDULED FOR:02/11/97 13:30 TO 15:30 FOR:SIT
PUBLIC HEARING SENATE LABOR & COMMERCE
LOCATION:SITKA
SB 75 BRADLEY SHAFFER ASLB TESTIFY

— *Accounting Consultants of Alaska, Inc.* —

Kirk W. Brown, CPA • Jamie L. Berge, Associate
203 West 15th Avenue, Suite 107 • Anchorage, Alaska 99501
Telephone (907) 278-3770 • FAX (907) 278-2650 • Alaska Toll Free (800) 278-3770

February 10, 1997

To: Senator Tim Kelly
(907) 465-3822 (FAX 907-465-3756)

Dear Tim,

I wish to inform you that I am in support of SB75 and would appreciate your support also. Last year I helped proctor the CPA exam in Anchorage and noted that we were deluged with foreign applicants. It is my understanding that this bill would not unreasonably restrict local applicants from taking the exam but would eliminate those not serious in obtaining their CPA certificate for practicing in the US.

Thank you for your support. Let me know when you get back to Anchorage.

Cordially,

Kirk W. Brown
Kirk W. Brown, CPA

cc Chuck Griffin
745-3239 (FAX 745-6038)

CHARLES R. GRIFFIN

CERTIFIED PUBLIC ACCOUNTANT

P O BOX 670 • PALMER, ALASKA 99645
TELEPHONE (907) 745 3239

February 4, 1997
VIA FAX 907-465-3756

Senator Tim Kelly, Chairman
Senate Rules Committee
Alaska State Legislature
State Capitol, Room 101
Juneau, Alaska 99801-1182

Re: Senate Bill No. 75 (CPA Exam Qualifications)

Dear Chairman Kelly:

Thank you! - the Alaska State Board of Public Accountancy and I sincerely appreciate your valued assistance in introducing SB 75. This bill, amending only two sections of our Accountancy Act, will solve our current examination crisis - we are simply being overwhelmed by foreign examination applicants.

Alaska currently has the lowest standards for examination applicants in that we simply require a baccalaureate degree. Our current statutes do not require accounting courses or experience prior to taking the examination. And it is well settled that we cannot consider residency in establishing qualifications or fees.

Our Board was swamped by foreign (mostly Japanese) applicants for the November 1996 examination. We soon learned that the State of Montana, apparently the former state of choice, adopted emergency rules in May 1996 and for the November 1996 exam began requiring residency as well a degree with an accounting concentration. Our Board has been deluged by foreign applicants since the Montana rules were first noticed.

Our Board utilizes the uniform certified public examination which is offered each May and November by all of the U.S. accounting jurisdictions. It is a nondisclosed, secure examination and we are committed to administer it in Alaska. Under our current statutes, however, our Board counsel (AAG) advised us that we must simply accommodate all applicants who meet our requirements.

Thus for November 1996 we received 560 new applications and examined 507 candidates. We typically receive about 75 new applications and examine about 160 candidates. I enclose our examination statistics for 1995 and 1996 and you will clearly see the increase is staggering. We have already received over 100 additional new applications and are anticipating some 800+ candidates for the May 1997 exam.

We are extremely concerned that our current standards admit a very large number of candidates who will never be true candidates for licensure. A security breach could jeopardize this national examination, potentially subject our Board to liability for loss or damages, or prevent us from being able to offer the examination in the future.

Senator Tim Kelly, Chairman -2-
Senate Rules Committee
Alaska State Legislature

February 4, 1997

Re: Senate Bill No. 75 (CPA Exam Qualifications)

In addition, we are concerned that this volume of examination activity - processing applications, arranging sites, scheduling candidates, finding qualified proctors, and Board member site administration - is substantially impacting both our Licensing Examiner (whom we share with two other Boards) and the Division of Occupational Licensing. As a result, the service to Alaskan examination and licensing applicants, our licensees and the public is suffering.

Please note that Section 1 of the bill, repealing and reenacting AS 08.04.150, is not exclusionary. This bill does not change or increase the requirements for licensure in Alaska. This bill would only increase the qualifications required to take our examination to such an extent that it would exclude most of our foreign applicants. Alaska's accounting education requirement will still be among the lowest in the nation but we did not wish to set the requirement at the top and exclude many of our Alaskan applicants. We believe this bill will serve both the Board and all bona fide candidates for licensure.

We also believe that this bill should not require a fiscal note in that our fee setting is reviewed biennially and the application and examination processes are consistently priced on a break even basis.

Section 2 of the bill is a minor statutory change required in order to allow "enrolled agents" to use the designation "EA". We have recognized the term "enrolled agent" in the Board's regulations. We clearly recognize that the use of "EA" is not misleading or deceptive in this context and is used by a number of unlicensed accountants or tax practitioners who are, in fact, enrolled to practice by the Internal Revenue Service. The use of the abbreviation "EA" is however governed by statute and we seek your legislative grace for this change.

These two provisions are unanimously and enthusiastically sought, endorsed and supported by the State Board of Public Accountancy as well as the Alaska Society of CPA's. I would also expect that Director Reardon of Occupational Licensing will be supportive. I again express the Board's appreciation for your time and effort in getting this legislation introduced.

We look forward to participating in the committee hearing process and will be pleased to respond should you or any of your fellow legislators have any questions or desire any additional information.

Very truly yours,



Charles R. Griffin, CPA, Chairman
Alaska State Board of Public Accountancy

ALASKA STATE BOARD OF PUBLIC ACCOUNTANCY
 EXAMINATION STATISTICS
 MAY 1995 THROUGH NOVEMBER 1996

	May-95	Nov-95	May-96	Nov-96
New Exam Applications Approved	<u>72</u>	<u>70</u>	<u>79</u>	<u>560</u>
Exam Candidates Scheduled	188	211	198	704
No Shows	<u>-38</u>	<u>-32</u>	<u>-31</u>	<u>-197</u>
Candidates Examined	<u>150</u>	<u>179</u>	<u>167</u>	<u>507</u>
Candidates Examined:				
Alaskan	87	89	91	94
Foreign	54	80	68	392
Out of State	9	10	8	21
Total	<u>150</u>	<u>179</u>	<u>167</u>	<u>507</u>
Candidates Passed All 4 Parts	5.33%	6.14%	4.19%	5.52%
Candidates Failed All 4 Parts	37.33%	39.10%	41.31%	61.73%
Examination Section Pass Rates:				
AUD	21.32%	25.00%	25.85%	13.54%
LPR	18.32%	20.26%	24.67%	17.17%
FARE	36.58%	35.25%	33.07%	25.26%
ARE	36.58%	27.06%	23.25%	17.08%

BEFORE THE BOARD OF PUBLIC ACCOUNTANTS
 DEPARTMENT OF COMMERCE
 (STATE OF MONTANA)

In the matter of the emergency) NOTICE OF EMERGENCY AMENDMENT
 amendment of rules pertaining)
 to examinations, out-of-state)
 candidates for examination,)
 education requirements and fees)

TO: All Interested Persons:

① The Board of Public Accountants has recently had cause to believe that a large number of applicants have applied for and taken the CPA examination in Montana, although they have not completed an accountancy educational requirement, and do not therefore qualify for certification and licensure in Montana. The national CPA examination review board has expressed concern to the Montana Board of Public Accountants over the 700+ candidates who sat for the May 1996 administration of the examination (200 more than the 11/95 examination with expected number over 1,000 for the 11/96 examination), and expressly recommended to the Montana Board that the examination be open only to candidates who have met all educational qualifications for certification and licensure. The CPA examination review board based this recommendation on a concern that the non-disclosed exam will be exposed to persons who are not true candidates for licensure, as they do not qualify for licensure in Montana or any other jurisdiction. Also, the Board is aware of allegations that review courses send in large numbers of candidates whose sole purpose is to breach the examination.

The Board has identified an immediate threat to the public welfare in that any further administrations of the exam to unqualified candidates may cause a security breach and a compromise of the exam. Should the logistics of administering the exam to this large group of people cause a security breach in Montana and disclosure of the exam, it may affect candidates throughout the entire nation. The scores of all candidates taking the examination might not be certified and valid.

The public's welfare is also threatened in that any security breach in Montana may cause potential losses in the hundreds of thousands of dollars to the candidates and the vendors of the exam. Montana could potentially be sued by the vendor and all candidates participating in the exam. Additionally, the costs of re-writing the exam and testing the questions, etc., would have to be borne by the state board causing the breach. The Montana Board of Public Accountants would therefore have to pay all these costs from its budget, through increased licensing and examination fees, thus unfairly placing a share of the cost on the already licensed accountants in the state.

Finally, the public's welfare is immediately threatened in that the Board is not able to ensure that qualified persons are becoming licensed in this state, as no educational requirements are being checked prior to administration of the exam. Many persons with no accounting knowledge at all may be applying for

the exam, and one of the Board's primary duties is to ensure that only qualified persons are licensed in this state, for the protection of the public.

Since the next administration of the exam is scheduled for November, 1996, the Board must have this emergency rule requiring educational qualifications to be met prior to sitting for the exam in place immediately to begin evaluating applications already being received for the next exam and prevent a threat to the public welfare. The soonest a remedial rule could be adopted under regular procedures would be September, 1996, which would allow no time for evaluation of the hundreds of applications before the deadline for the November exam.

Therefore, the Board intends to adopt the following emergency rule amendments. The rules as adopted will be mailed to persons and associations who may be affected by these rule amendments and published as an emergency rule in the next issue of the Montana Administrative Register.

(2) The emergency amendments will be effective May 28, 1996.

3. The text of the emergency amendments is as follows:

"8.54.402 EXAMINATIONS (1) will remain the same.

(2) All applicants must meet the educational requirements of ARM 8.54.405 prior to submission of an application and must be approved by the board to sit for the examination.

(2) and (3) will remain the same, but will be renumbered (3) and (4).

~~(4) A candidate who is unable for any reason to sit for an examination for which he has been approved shall notify the board office in writing prior to the commencement of the examination in order to receive a refund of fees paid less an administrative fee as provided for in ARM 8.54.410.~~

(5) through (6)(e) will remain the same."

Auth: Sec. 37-1-131, 37-50-201, 37-50-308, MCA; IMP, Sec. 37-1-101, 37-50-201, 37-50-308, MCA

"8.54.403 OUT-OF-STATE CANDIDATES FOR EXAMINATION (1) and (2) will remain the same.

(3) An out-of-state candidate will be considered a resident of his home state. ~~Out of state residents wishing to sit as Montana candidates must take the exam at a Montana site.~~

Auth: Sec. 37-1-131, 37-50-201, 37-50-308, MCA; IMP, Sec. 37-1-101, 37-50-201, 37-50-210, 37-50-208, 37-50-308, MCA

"8.54.408 EDUCATION REQUIREMENTS (1) Prior to July 1, 1997:

(a) a candidate for examination, to be approved to sit for the exam, and subsequently to be certified or licensed as a public accountant, who submits an application for an examination administered prior to July 1, 1997, or a candidate whose approved application for examination is still current under the provisions of ARM 8.54.405, or a candidate who applies by transfer of grades prior to July 1, 1997, must,

Japanese count on taking CPA exam here

By Margaret Thomas
Staff writer, The Paper

State officials are scrambling to accommodate a sudden surge in the number of people planning to take the certified public accountant licensing exam in Alaska next month. And here's the weird part: Almost 80 percent of the applicants are Japanese.

Some 700 people have applied to take the two-day test in Alaska, with 295 of them scheduled to sit in Juneau. Organizers here have reserved the Centennial Hall ballroom to make room for the crowd. Last time the twice-yearly test was offered in Juneau, 15 people signed up.

The recent influx is a result of the prestige that Japanese businesses attach to passing

the U.S. exam, combined with an emergency change in Montana regulations that made Alaska the easiest place to qualify for the test. Now, Alaska's Board of Public Accountancy is pushing to close the door here, too.

The problem is that most of the foreign test takers have no intention of fulfilling up to three years of work experience required to become licensed, practicing CPAs in Alaska. Worse yet, the change in Montana law could make Alaska a target for "ringers" — those who just want a peek at the standardized test in order to help their clients cheat.

"Alaska currently has the lowest requirements for eligibility to sit for the exam,"

said Chuck Griffin, head of the state Public Accountancy Board. "The more people we let in who will have no ultimate chance of being licensed, it seems the greater our exposure is."

Officials at the state Division of Occupational Licensing worry too that application fees won't cover the cost of processing more paperwork, renting larger facilities and hiring extra proctors for administering the test to so many, said state licensing supervisor Judy Weste. "We will have to look at our costs for this exam and compare it to what we charge candidates."

Montana had the least-restrictive exam eligibility requirements in the country, until this year. Applicants were not required to

meet education, experience or residency requirements before taking the test, which is administered at the same time nationwide and in three U.S. protectorates.

More than 800 applicants signed up for the May test in Helena, said Sue Criswell, administrator for the Montana Board of Public Accountants. Many of them were from Japan and other foreign countries.

What made the crowd so daunting was the fact that national rules for administering the test had undergone a major change. In the past, the national organization that publishes the exam rewrote the questions every six months. Students and teachers were allowed to use old versions of the test to

Please turn to page 7

CPA exam Continued from page 3

prepare. No more.

The American Institute of Certified Public Accountants decided it would be fairer if the test was always the same. The change also would allow the institute to cut the costs of continually writing, pre-testing and evaluating new exam questions.

The result is a level of anxiety over security that is normally reserved for shipments of jewels, furs and bundles of big bills. Security guards now deliver the exams to testing sites in armored trucks.

Montana officials stationed armed guards at exits during that state's first "non-disclosed" test in May. Monitors were assigned to the bathrooms and chaperons accompanied anyone who wanted to step outside for a smoke during the 1 1/2-hour, two-day test.

Officials in every test jurisdiction sweat over the possible consequences of a breach. The institute could declare exam scores invalid nationwide and have to begin the expensive process of developing a new test. The jurisdiction that allowed the leak could be held liable for those costs and lose its authorization to give future exams.

Once Montana officials understood the implications, they moved quickly to cull candidates who have no intention of getting

licensed. The state board approved emergency regulations requiring applicants to complete a minimum number of accounting and other business credits before taking the test.

Overnight, there was a new reason for foreigners to come to Alaska. A bachelor's degree in any subject is all that's required to take the test here. "Word travels fast among the different nationalities," said Criswell. "They publicize it all over the country."

Representatives of state and national CPA organizations are unclear about why the Japanese and other foreigners value a versing in U.S. tax law. There are probably a variety of reasons, said Martha Renaud of the New York City-based National Association of State Boards of Accountancy. "It's a mark of status to be able to pass the exam, whether you actually

plan to practice in the U.S. or not."

State licensing examiner Steve Snyder knew he was in for it when Tokyo's Tanoramon Accounting School phoned to request 60 applications for the Alaska CPA exam last spring. Calls from several other Japanese accounting schools followed. The din of desk clerks shouting half-speed English into the phone became common at the division's Juneau office this summer and soon an avalanche of applications threatened to bury Snyder.

"It's a lot more overwhelming," said Snyder of his job these days. "I don't have a lot of time to do other things that need to be done."

Division director Catherine Reardon has reassigned a half-time employee to help Snyder dig out. Division officials also have contacted the state attorney general's office for an opinion on whether it's legal to charge foreign candidates more than Americans to take the test.

"They're not supporting the superstructure that everyone else pays for," said Reardon. "We're protecting our licensees from carrying extra costs."

The Alaska Supreme Court already has nixed state residency requirements, but the Alaska CPA board is devising another strategy for diverting the stampede, said

chairman Griffin. Board members will petition the Legislature to add new exam eligibility requirements — they're suggesting 15 semester hours in accounting subjects, or a year of relevant work experience.

Griffin doesn't anticipate trouble, but it's unlikely a new law and matching regulations could be in effect before test time in May. Not everyone is in a hurry.

The Westmark Juneau, next to the Centennial Hall test site, is already more than three-quarters full for Nov. 6-7. Admits Weske. "It's certainly great for the Juneau economy."

THE PAPER
JUNEAU
10-4-96



ALASKA SOCIETY OF CPAs
341 W. TUDOR #105
ANCHORAGE, AK 99503
(907) 562-4334
H O O - 4 7 8 - 4 3 3 4
F A K (9 0 7) 5 6 2 - 4 0 2 5

JAN - 4 1997

January 2, 1996

Charles Griffin, CPA
Chair, Alaska Board of Public Accountancy
Division of Occupational Licensing
P.O. Box 670
Palmer, Alaska 99645

Dear Mr. Griffin:

The Board of Directors of the Alaska Society of Certified Public Accountants has reviewed the statute and regulations proposed by the Board of Public Accountancy to increase the Alaskan requirements to sit for the CPA exam. We understand the recent developments which prompted your call for change. Several of our members were involved with the administration of the November 1996 exam. The tremendous increase in applicants did cause considerable problems. The ability of our state to administer the exam under conditions of high security must be a priority concern.

We believe the statute and regulations changes outlined in your proposal should be adopted. The statute change will give the Board the authority to regulate the exam through education and experience regulations. This will not only allow the Board to act in the current situation, but will also provide the statutory authority to react to future problems that might arise. The revised educational/experience regulations will bring our state into closer conformity with other jurisdictions with minimum impact on Alaskans who plan to sit for the exam. Alaskan students majoring in accounting will continue to be qualified to sit for the exam in the final semester of their baccalaureate programs. We believe your proposal will provide a practical and fair solution to our current exam administration problems.

The Board of Directors of the Alaska Society of Certified Public Accountants unanimously voted to support your proposal at our December 6, 1996 Board meeting and authorized this letter of public support. We stand ready to provide any additional support that might be necessary as this proposal moves through the legislative process.

On another matter, we are in receipt of the December 17, 1996 "Regulations Notice" from Regulation Specialist, Joanne Cummings regarding various other regulation changes including Quality Review regulations. We worked closely with you as these Quality Review regulations were drafted and are pleased to see them moving through your due process procedures. We continue to strongly support the adoptions of these Quality Review requirements.

Please contact us if we can be of any further assistance with regard to any of the matters referred to in this letter. We appreciate the opportunity to work with you as you strive to administer the Accountancy Statute and Regulations to protect the public interest.

Sincerely,

Alaska Society of CPAs

Alaska Society of Certified Public Accountants, Inc.

cc: Mark Schnieter

ALASKA STATE BOARD OF PUBLIC ACCOUNTANCY

BOARD RECOMMENDATIONS FOR PROPOSED REGULATIONS

The State of Alaska is the only jurisdiction providing the AICPA exam without any minimum educational or work experience requirements. The present regulations require a lower standard to sit for the exam than required to become licensed as a certified public accountant.

The lower standards provide the opportunity for applicants to sit for the exam in Alaska rather than other jurisdictions. Historically 150 applicants sit for the CPA exam twice a year. The number of applicants approved for the November 1996 exam is approximately 750. The dramatic increase is the result of Alaska's lower standards to sit for the exam.

The Board's primary concerns with the increase are twofold:

1. The State is legally bound to administer the exam and meet very high standards of security. Every effort of the administration is to prevent disclosure of the contents of the exam. The board is concerned applicants may take the exam to obtain first hand knowledge of the contents of the exam and to share the information with other interested parties.

The board is committed to the administration of the exam for individuals who want to become licensed as a certified public accountant.

2. Transcripts of the applicants from other jurisdictions reveal little or no accounting and auditing classes. The applications reveal that most of these applicants are not employed in public accounting nor intend to become licensed as a certified public accountant.

The board is committed to the administration of the exam for individuals who have obtained certain educational or work experience that demonstrates their intent to become licensed as a certified public accountant.

The proposed statute change provides the board the authority to define the minimum educational or experience requirements for application to sit for the exam by regulation.

The proposed regulation changes will provide the minimum educational or work experience.

The State will benefit from providing the minimum educational or work experience requirements to sit for the exam. The State will be in conformity with other jurisdictions by adopting these changes. There will not be any additional cost to the State from the adoption of these changes.

S B

8 7



**Samuel
Duff
Combs**
AIA, NCARB
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FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. SB 87

Revision Date: _____ Department: Commerce and Economic Development
 Title: An Act relating to Architects, Engineers & BRU: Occupational Licensing
Land Surveyors Component: Operations
 Sponsor: Rules Committee
 Requestor: Senate Labor & Commerce COMPONENT SERIAL NO. 1844

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	262.7	262.7	262.7	262.7	262.7	262.7
TRAVEL	22.4	22.4	22.4	22.4	22.4	22.4
CONTRACTUAL	108.9	108.9	108.9	108.9	108.9	108.9
SUPPLIES	9.8	9.8	9.8	9.8	9.8	9.8
EQUIPMENT	3.8	3.8	3.8	3.8	3.8	3.8
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	407.6	407.6	407.6	407.6	407.6	407.6

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES	732.0	83.2	732.0	83.2	732.0	83.2
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1304 General Fund						
100* GF/Program Receipts						
1006 CF/MHTIA						
Other 1091 Designated PR	407.6	407.6	407.6	407.6	407.6	407.6
TOTAL	407.6	407.6	407.6	407.6	407.6	407.6

Estimate of any current year (FY 97) cost: \$ 407.6

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

SB 87 extends the Board of Registration for Architects, Engineers and Land Surveyors to June 30, 2003. The costs shown on this fiscal note are included in the department's FY 98 operating budget request; therefore, new funds are not required to implement the bill. The program is required to cover its costs with licensing fees under AS 08.01.065. The revenue collection reflects the biennial licensing cycle in which licenses are issued.

Prepared by: Jennifer Strickler, Administrative Manager
 Division: Occupational Licensing
 Approved by Commissioner: William L. Hensley
 Agency: Commerce and Economic Development

Phone: 465-2144
 Date: 3/11/97
 Date: _____

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SENATE LABOR & COMMERCE COMMITTEE

SECTIONAL ANALYSIS FOR SENATE BILL 87: ARCHITECTS, ENGINEERS & SURVEYORS

Section 1.

Extends the sunset date to 2001. As introduced, the sunset date would have been 2003, the Labor & Commerce Committee agreed that four years is appropriate for sunset of this board.

Section 2.

L&C Committee accepted the change requested by the Alaska Professional Design Council and the Architects, Engineers and Land Surveyors Board to increase the size of the board to 10 members, adding a land surveyor seat. The request also specified that one of the engineer positions be an electrical or mechanical engineer to ensure that the board has a person with the appropriate background to review those applications. The L&C Committee agreed.

Sections 3 and 5.

The AELS Board has not used the terms "president, vice president" for many years. The appropriate terms "chair and vice-chair" were substituted here and in Section 5. Also, in Section 3, since the board has been increased to 10, five is no longer a quorum. The board then is subject to AS 08.01.030 "A majority of the membership... constitutes a quorum".

Section 4.

Previous language required exams for architects, engineers and land surveyors to be given at least two times/year. The land surveyor exam is not a national exam and the number of candidates does not justify administering it twice a year. The amended language leaves the board the flexibility to administer tests MORE than once a year, as necessary for engineers and architects, and to deal with the changing complexities of the engineering and architects exams through regulation.

Sections 6 and 7.

Amendment added to the Senate State Affairs committee substitute would mean that land surveyors must be registered to teach in an institution of higher learning. The land surveyors sought this amendment. Because surveyors do not have a Ph.D. program, (formal education ends with a 4-year degree), it was felt that surveyors should have to be registered to teach others how to survey. Registration involves a two-day exam.

Section 8.

Since statutes were changed to require boards to assess fees to cover the costs of their operation, the Division of Occupational Licensing has maintained the records stated here. The Board has not been complying with these statute references and requested them removed. The audit agreed with this recommendation.

Section 9.

Transitional provision makes it clear that the changes in SB 87 do not affect current members of the AELS Board, but as the engineer seats come open, one will be designated "electrical or mechanical engineer".

Section 10.

Effective date clause.



General Teamsters Local 959 State of Alaska

Affiliated with the International Brotherhood of Teamsters

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March 17, 1997

Senator Lyda Green
Chair - Senate State Affairs Committee
State Capitol
Juneau, AK 99801

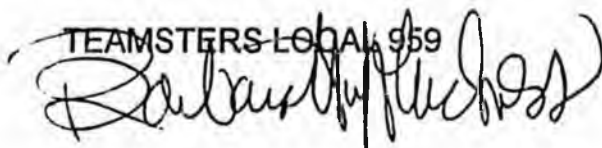
Re: SB 87 - Architects, Engineers, Land Surveyors

Dear Senator Green:

On behalf of Teamsters Local 959 and the Technical Engineers we represent around the State of Alaska, we wish to extend our support of CS SB 87, which as we understand will include the following amendments: Sec. 08.48.331 (9) Exemptions and 08.48.341 (10) "practice of land surveying". We have worked very closely with Senator Leman's office regarding this bill and the proposed amendments, as well as with members of the AELS Board, specifically Patrick Kalen.

As such, we believe the bill will work well for industry and the members we represent. Your time, attention, and support of this bill will be greatly appreciated.

Sincerely,

TEAMSTERS LOCAL 959


Barbara Huff Tuckness
Director - Legislative and Government Affairs

cc: Senator Jerry Ward, Vice Chair
Senator Mike Miller
Senator Jerry Mackie
Senator Jim Duncan

pg\huffgreen.tr

AMENDMENT

(incorporated into (S) STA CS)

OFFERED IN SENATE LABOR & COMMERCE
BY SENATOR LEMAN

TO: CS SB 87 (L&C)

New Section 5:

AS 84.331 is amended to read:

Sec. 08.48.331 EXEMPTIONS. this chapter does not apply to

(9) a person who is employed by a postsecondary educational institution to teach engineering or [,] architectural [, **OR LAND SURVEYING**] courses; in this paragraph, "postsecondary educational institution" has the meaning given in AS 14.48.210.

New Section 6:

AS 08.48.341(10) is amended to read:

(10) "practice of land surveying" means the teaching of land surveying courses at an institution of higher learning, or any service or work the adequate performance of which involves the application of special knowledge of the principles of mathematics, the related physical and applied sciences, and the relevant requirements of law for adequate evidence of the act of measuring and locating land, geodetic and cadastral surveys for the location and monumentation of property boundaries, for the platting and planning of land and subdivisions of land, including the topography, alignment, and grades for streets, and for the preparation and perpetuation of maps, record plats, field note records, and property descriptions that represent these surveys;

