

ALASKA LEGISLATURE COMMITTEE FILES 2001-2002 8672

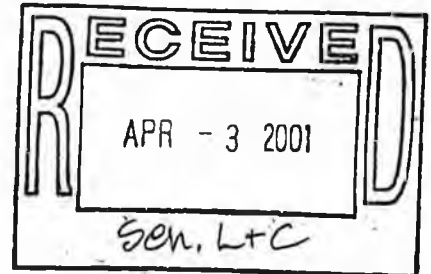
10617 SENATE LABOR & COMMERCE

**SB**

**50**

# Douglas Island Veterinary Service

4001 North Douglas Highway  
P. O. Box 240031  
Douglas, AK 99824  
(907) 483-6377  
FAX 586-6332  
e-mail les@alaska.com



April 1, 2001

Senator Kim Elton  
State Capitol  
Juneau, AK 99801

Dear Senator Elton:

As a licensed, practicing veterinarian in the Juneau-Douglas area, I recognize the importance of formal peer review to maintain high quality animal and public health services. I support your bill to extend the sunset date on the Board of Veterinary Examiners.

Because all veterinarians must pass the National Board Examination and Clinical Competency Examination, reformers advocate elimination of redundant state veterinary examinations and institution of national or regional (rather than state) licensure. The Board of Veterinary Examiners is the best public and professional voice to express Alaskan views of this change.

The health and well being of my patients is important to me and to their families. I keep my knowledge current and my skills sharp out of honor and professional responsibility, not because a board of inquisitors is breathing down my neck. However, public confidence rests on quality assurance. If my qualifications or standard of care is to be evaluated, I trust my peers and their interest in preserving the integrity of the profession over television's "Animal Court."

Best,

A handwritten signature in black ink that reads "Lesley DeKray".

Lesley DeKray, DVM

# Audit Report

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DEPARTMENT OF COMMUNITY AND  
ECONOMIC DEVELOPMENT  
BOARD OF VETERINARY EXAMINERS  
SUNSET REVIEW

October 20, 2000

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Audit Control Number:

08-20005-00

Division of Legislative Audit

P.O. Box 113300, Juneau, Alaska 99811-3300

# LEGISLATIVE BUDGET AND AUDIT COMMITTEE

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## DIVISION OF LEGISLATIVE AUDIT

The Legislative Budget and Audit Committee is a permanent interim committee of the Alaska Legislature. The committee is made up of five senators and five representatives, with one alternate from each legislative chamber. The chairmanship of the committee alternates between the two chambers every legislature.

The committee is responsible for providing the legislature with audits of state government agencies. The programs and activities of state government now cost more than \$6 billion a year. As legislators and administrators try increasingly to allocate state revenues effectively and make government work more efficiently, they need information to evaluate the work of governmental agencies. The audit work performed by the Division of Legislative Audit helps provide that information.

As a guide to all their work, the Division of Legislative Audit complies with generally accepted auditing standards established by the American Institute of Certified Public Accountants and with government auditing standards established by the U.S. General Accounting Office.

Audits are performed as mandated by Alaska Statutes or at the direction of the Legislative Budget and Audit Committee. Individual legislators or committees can submit requests for audits of specific programs or agencies to the committee for consideration. Copies of all completed audits are available from the Division of Legislative Audit's offices in either Juneau, Anchorage, or our web site <http://www.legis.state.ak.us/legaud/web/default.htm>.

### BUDGET AND AUDIT COMMITTEE

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### DIVISION OF LEGISLATIVE AUDIT

**Pat Davidson, CPA**  
**Legislative Auditor**

**P.O. Box 113300**  
**Juneau, Alaska 99811-3300**

**(907) 465-3830, Juneau**  
**(907) 561-1445, Anchorage**  
**(907) 465-2347, Juneau Fax**

# ALASKA STATE LEGISLATURE

## LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit



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Juneau, AK 99811-3300  
(907) 465-3830  
FAX (907) 465-2347  
Internet e-mail address:  
legaudit@legis.state.ak.us

October 20, 2000

Members of the Legislative Budget  
and Audit Committee:

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

DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT  
BOARD OF VETERINARY EXAMINERS  
SUNSET REVIEW

October 20, 2000

Audit Control Number

08-20005-00

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

Currently, under AS 08.03.010 (c)(21) the board is scheduled for termination on June 30, 2001. The board would be allowed one year from this date in which to conclude its affairs, if not extended by legislative action. We recommend that the legislature extend the board until June 30, 2005.

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

A handwritten signature in cursive script that reads "Pat Davidson".

Pat Davidson, CPA  
Legislative Auditor

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## OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with the intent of Titles 24 and 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities of the Board of Veterinary Examiners. As required by AS 44.66.050(a), the committee of reference shall consider this report during the legislative oversight process to determine whether the board should be reestablished. Currently, AS 08.03.010(c)(21) states that the board will terminate on June 30, 2001, and will have one year from that date to conclude its affairs.

### Objectives

The objectives of our review were:

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

### Scope and Methodology

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

Our audit reviewed the operations and activities of the Board of Veterinary Examiners for the period of FY 98 through FY 00. During the course of our examination, we reviewed and evaluated the following:

1. Applicable statutes and regulations.
2. Compliance with statutes and regulations related to the licensing of veterinarians and veterinary technicians. Our evaluation addressed considerations of license applications and testing of candidates.
3. Minutes of meetings of the Board of Veterinary Examiners.
4. Annual reports issued by the board.
5. Complaints filed with the Division of Occupational Licensing and the Department of Law.
6. Reading files maintained at the Division of Occupational Licensing.
7. Other documents deemed pertinent.

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

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## ORGANIZATION AND FUNCTION

Alaska Statute 08.98.010 creates the Board of Veterinary Examiners. It is a regulatory board consisting of four licensed veterinarians and one public member. Members are appointed by the governor and approved by the legislature. Board members serve staggered four-year terms.

The board regulates the profession of veterinary care in the State by:

1. Examining applicants and approving the issuance of licenses to qualified applicants;
2. Establishing or amending rules and regulations necessary to enforce state statutes;
3. Conducting disciplinary proceedings in accordance with law.

Board Of Veterinary Examiners  
as of October 1, 2000

Veterinarians

Deanna J. Thornell, DVM, Chair  
Jean Battig, DVM  
James L. Morris, DVM  
Connie Jo Sanders, DVM

Public Member

Vacant

### Department of Community and Economic Development, Division of Occupational Licensing

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

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

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

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## REPORT CONCLUSIONS

In our opinion, the Board of Veterinary Examiners is operating in an efficient and effective manner and should continue to regulate veterinarians. We believe the board is safeguarding the public interest by ensuring the competence and integrity of those who hold themselves out to the public as practitioners of veterinary medicine.

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

Alaska Statute 08.03.010(c)(21) requires the Board of Veterinary Examiners be terminated on June 30, 2001. Under AS 08.03.020, the board has a one-year period to administratively conclude its affairs. We recommend the legislature extend the board's termination date to June 30, 2005.

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## FINDING AND RECOMMENDATION

### Recommendation No. 1

The board should establish in regulation what constitutes a passing examination score necessary for state licensure.

Under present law, an applicant must have passed the National Board Examination and the Clinical Competence Test or the North American Veterinary Licensing Examination.<sup>1</sup> Existing regulations however, do not specify what constitutes a passing score.

Not all jurisdictions use the same criteria to determine a passing grade. In one situation, an applicant provided proof of passing the Clinical Competency Test (CCT) examination given the criteria used by the state administering the test. However, had the applicant taken the test in Alaska, the score received would not be considered as passing. Although the applicant satisfied all other requirements to obtain licensing, the board denied the application because *"the applicant did not achieve a passing score on the CCT."*

The applicant challenged the board's decision, claiming that under current regulation all that is required was that an individual receive a "passing score." The applicant claimed they received a passing score based on the criteria used by the jurisdiction administering the examination. The applicant noted that current regulations do not set out a passing score for examinations administered by other jurisdictions. We recommend the board establish such a passing score in regulations, as it would clarify criteria for licensure, and eliminate the need for the board to spend funds to conduct hearings and appeals.

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<sup>1</sup> The specific statutory language states an applicant must pass "a national examination for veterinarians approved by the board" within 60 months of applying for licensure as a veterinarian. The board has designated the National Board Examination and the Clinical Competence Test; or, the North American Veterinary Licensing Examination as approved licensure examinations.

(Intentionally left blank)

## ANALYSIS OF PUBLIC NEED

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

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

The board, through the licensure of veterinarians and veterinary technicians, has enhanced the skill and competence of professionals practicing in Alaska. Evidence of continuing professional education is required for license renewal which promotes continued professional competence.

The board has served the public through its examination and licensing of qualified applicants. The board adopted or revised regulations regarding licensure and examination procedures, enforced the laws pertaining to veterinary practice and held meetings in accordance with statutory requirements.

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

In the prior 1996 sunset review, we recommended the board adopt a regulation for the minimum passing score required for examinations. The board adopted regulations establishing the minimum passing score for the state exam. However, no score has been specified for examinations administered by other jurisdictions or for the national examination. See Recommendation No. 1.

The board has been impeded in the distribution of the annual veterinary handbook. The delay is due to a difference with the Department of Health and Social Services (DHSS) on a policy that concerns rabies. In the view of the board, state public health policy on rabies is inconsistent with guidance issued by the national veterinary organizations. The board has held back distributing its annual handbook until the Division of Public Health revises state regulations to reflect the recent change in policy at the national level.

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

The board supported 1998 legislation requiring applicants be "in good standing" as a condition for licensure. Subsequently the board adopted related regulations specifying what determines "good standing." Among the criteria set out in regulation (12 AAC 68.048) was whether an applicant:

1. ever received a disciplinary sanction arising from the applicant's practice of veterinary medicine,
2. has had federal Drug Enforcement Administration (DEA) privileges that have been restricted or revoked;
3. is currently under investigation by another veterinary licensing authority for acts that would provide a basis for disciplinary action in this State;
4. has a physical or mental impairment, or an addiction to, severe dependency on, or habitual overuse of alcohol or other drugs, that impairs the applicant's ability to practice veterinary medicine in a manner consistent with the safety of a patient or the public;
5. has ever been convicted of a felony;
6. has ever been convicted of a crime arising from conduct substantially related to the practice of veterinary medicine.

We believe this combination of statutory action on the part of the legislature, and regulatory action on the part of the board, was in the public interest by enhancing the integrity and competency of individuals licensed to practice veterinary medicine.

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

The location, date and time of upcoming board meetings and notices of proposed changes in regulations are published in the *Anchorage Daily News*, the *Fairbanks Daily News-Miner* and the *Juneau Empire*.

The board's meeting agenda sets aside adequate time for the board to take public comment. Minutes from the board's meetings reflect public participation throughout the meeting. Proposed regulations are often circulated to those affected by the proposed regulations through professional trade journals, public notice advertisement, or direct mail correspondence from the Division of Occupational Licensing.

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

Public notices of proposed regulations are published in major newspapers. Proposed regulation changes were subjected to the public notice process.

A member of the public did suggest that the board create a new license category in Alaska for animal chiropractors. This was later placed on the agenda for further discussion.

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

During the past three fiscal years (FY 98 – FY 00), the Division of Occupational Licensing opened 22 investigative cases involving activities regulated by the Board of Veterinary Examiners. Of 22 cases, the division has completed 15 investigations as of the date of our audit fieldwork.

Of the 15 investigations, 13 were resolved without board action – through the use of warning letters (5), voluntary compliance (2), determinations of no violation (6).

For one of the two cases brought before it, the board granted a license that originally had been denied. In the other the board issued a fine, reprimand, and required the individual to obtain corrective education. There were no license revocations or suspensions.

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

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

New Licenses or Permits Issued (Exclusive of Renewals)	FY 98	FY 99	FY 00	Total	Current as of June 30, 2000
Veterinarians	17	9	14	40	248
Veterinary Technicians	7	8	2	17	75
Temporary Permits	5	4	8	17	-
Temporary Licenses	3	4	3	10	-
Courtesy Licenses	33	37	46	116	-

Veterinary licensing requirements require passing of the national examination and the state examination. The board will accept the two national examinations that have been or are being offered. The two national examinations are developed and graded nationally. The state examination is developed by the board and includes statutory and regulatory questions specific to Alaska. The board has spent considerable time in developing the examination.

Each applicant is required to meet the state requirements for licensing. Board meeting minutes reflect that the board considers each application and verifies the licensing requirements are satisfied prior to approval for examination. Upon successful completion of the required examination the applicant may be licensed.

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

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

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

The board continues to address issues that pertain to the field of veterinary medicine. They also recognize new issues and assess their importance to the veterinarian profession. The board has responded it intends to address the passing score issue discussed in Recommendation No. 1 in the Findings and Recommendation section.

Tony Knowles, Governor

Alaska

Department of Community  
and Economic Development

Division of Occupational Licensing

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

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

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

November 22, 2000

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

Dear Ms. Davidson,

Thank you for this opportunity to comment on the Preliminary Audit Report (#08-20005-00). We support the continuation of the Board of Veterinary Examiners through June 30, 2005.

We concur with Recommendation No. 1, The board should establish in regulation what constitutes a passing examination score necessary for state licensure. The Division is currently working with the board on a proposed regulation that would establish the passing score as recommended by the testing agency.

Sincerely,



Catherine Reardon  
Director

# FISCAL NOTE

STATE OF ALASKA  
2001 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
Bill Version: SB 50  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): 03/06/2001 1:40p.m. Dept. Affected: DCED  
Title: An Act extending the termination date of the BRU: Occupational Licensing  
Board of Veterinary Examiners Component: Occupational Licensing  
Sponsor: Senator Elton  
Requester: Senate Labor & Commerce Component Number: 2360

### Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services		35.6	35.6	35.6	35.6	
Travel		5.9	5.9	5.9	5.9	
Contractual		9.6	9.6	9.6	9.6	
Supplies		0.0	0.0	0.0	0.0	
Equipment		0.0	0.0	0.0	0.0	
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>51.1</b>	<b>51.1</b>	<b>51.1</b>	<b>51.1</b>	

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (1156 RSS)	0.0	51.1	51.1	51.1	51.1	
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### FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (1156 RSS)		51.1	51.1	51.1	51.1	
<b>TOTAL</b>	<b>0.0</b>	<b>51.1</b>	<b>51.1</b>	<b>51.1</b>	<b>51.1</b>	

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

### POSITIONS

Full-time						
Part-time						
Temporary						

### ANALYSIS: (Attach a separate page if necessary)

The bill extends the Board of Veterinary Examiners to June 30, 2005. In accordance with AS 08.03.020, funding is extended one year following the termination date allowing the board to conclude its affairs. The information above identifies direct expenditure and revenue information included in the FY 2002 Operating Budget request.

Prepared by: Jennifer Strickler, Administrative Manager Phone 907-465-2144  
Division: Occupational Licensing Date/Time 03/06/2001 1:40p.m.  
Approved by: Commissioner Deborah B. Sedwick Date 3/6/2001  
Agency: Department of Community & Economic Development

For distribution information, call the Governor's Legislative Office



SENATOR KIM ELTON

SB 50

Extending the Termination Date of the Board of Veterinary Examiners

### Sponsor Statement

Senate Bill 50 extends the sunset date on the Board of Veterinary Examiners for another four years. The board serves the State of Alaska by ensuring the quality of those who practice as veterinarians. Alaskans rely on veterinary services for care of our beloved pets, sled dogs that provide transportation, and livestock that are farmers' and ranchers' livelihood.

A recent audit by the Division of Legislative Audit concluded that "the board is operating in an efficient and effective manner and should continue to regulate veterinarians. We believe the board is safeguarding the public interest..."

Under current statute, the board will cease to exist on June 30, 2001. Extending this sunset date will allow the legislature to review the board again in four years' time.

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ALASKA SENATE

STATE CAPITOL • JUNEAU, ALASKA 99801-1182 • (907) 465-4947 • FAX (907) 465-2108  
SENATOR\_KIM\_ELTON@LEGIS.STATE.AK.US



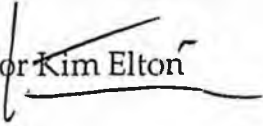
SENATOR KIM ELTON

MEMORANDUM

3/26/2001



To: Senator Randy Phillips, Chair  
Senate Labor & Commerce Committee

From:  Senator Kim Elton

Re: SB 50

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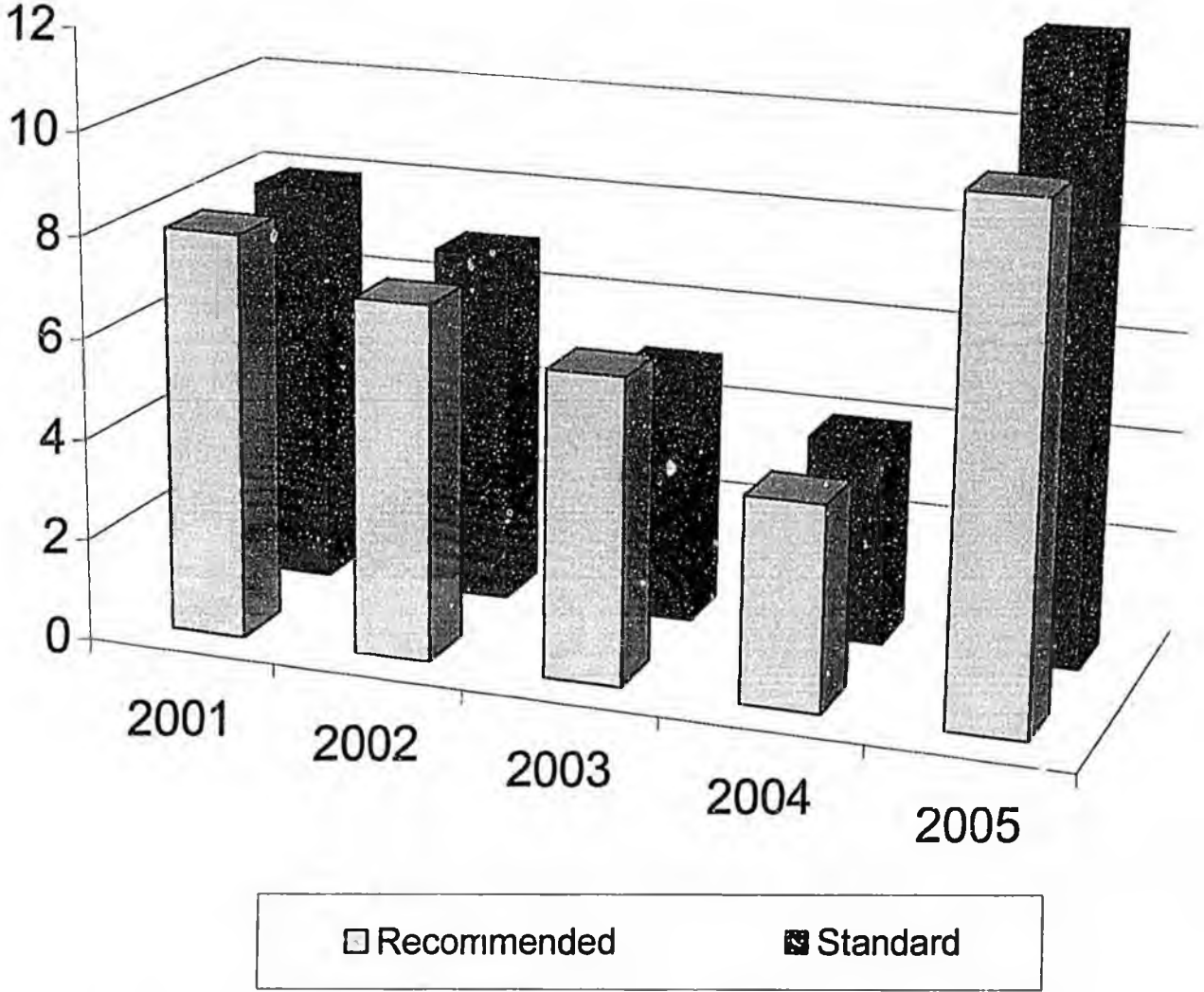
I respectfully request a hearing on Senate Bill 50. The bill extends the sunset date of the Board of Veterinary Examiners. I introduced the bill to continue the valuable service the board provides to Alaskans—ensuring a minimum standard of competency for those who practice as veterinarians. The Legislative Audit Division found no problems with the board, and made only one recommendation for an additional regulation that need not be addressed in statute.

Please feel free to contact my office if you have any questions.

**S B**

**5 2**

# Number of Board and Commission Sunsets



# Alaska State Legislature

SENATOR  
**GENE THERRIAULT**

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



Senate

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

Senate District Q

## Senate Bill 52

**“An Act extending the termination date of the State Physical Therapy and Occupational Therapy Board.”**

## Sponsor:

**Senate Rules Committee at the Request of the Legislative Budget and Audit Committee**

## Sponsor Statement

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Under AS 08.84.010 the State Physical Therapy and Occupational Therapy Board regulates the professions of physical therapists, physical therapy assistants, occupational therapists, and occupational therapy assistants and the practice of physical therapy and the practice of occupational therapy by ensuring that the requirements laid out for licensure are met and adhered to.

The Board consists of 7 members appointed by the governor having the qualifications as set out in AS 08.84.010. Board membership is prescribed by statute as having one physician, three physical therapists or two physical therapists and a physical therapy assistant, two occupational therapists or an occupational therapist and occupational therapists assistant, and one lay person with no direct financial interest in the health care industry.

The regulation and licensing of qualified physical therapists, physical therapy assistants, occupational therapists, and occupational therapy assistants safeguards the public by ensuring the competence and integrity of those who represent themselves as being registered physical therapists, physical therapy assistants, occupational therapists, and occupational therapy assistants.

The State Physical Therapy and Occupational Therapy Board is set to expire June 30, 2001 under AS 08.03.010(c)(1), Termination of State Boards and Commissions. If the Legislature does not act to extend the Board, it would have one year, until June 30, 2002 to administratively conclude its affairs. Senate Bill 52 will extend the Board for another six years to June 30, 2007.



Wally Knowles, Governor

**Department of Community  
and Economic Development**

**Division of Occupational Licensing**

P.O. Box 110806, Juneau, AK 99811-0306

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

Email: [license@dced.state.ak.us](mailto:license@dced.state.ak.us) • Website: [www.dced.state.ak.us/occ/](http://www.dced.state.ak.us/occ/)

February 1, 2001

Members of the Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

Dear Senators:

Thank you for your consideration of the continuation of the Board of Physical Therapy and Occupational Therapy as provided for in SB 52.

On behalf of the Board of Physical Therapy and Occupational Therapy, I would like to take this opportunity to extend the board's full support for the legislation extending the board until June 30, 2007. We welcome the opportunity to continue serving the public in our role as board members.

Sincerely,

A handwritten signature in black ink, appearing to read "Leslie Schwartz", is written over a light-colored background.

Leslie Schwartz, Chairperson  
Board of Physical Therapy  
and Occupational Therapy

**ALASKA PHYSICAL THERAPY ASSOCIATION, INC.**

A CHAPTER OF THE AMERICAN PHYSICAL THERAPY ASSOCIATION  
P.O. BOX 140351 ANCHORAGE, AK 99514-0351  
PHONE (907) 566-3749

January 26, 2001

Dear Senator Gene Therriault,

The Alaska Physical Therapy Association appreciates you introducing Senate Bill 52 "An Act extending the termination date of the State Physical Therapy and Occupational Therapy Board." We support the bill as it is written today. The Alaska Physical Therapy Association represents 71% of the states Physical Therapists and Physical Therapist Assistants with 205 members. I look forward to working with you.

Sincerely,

*Karen Grafton MSPT*

Karen Grafton M.S.P.T.

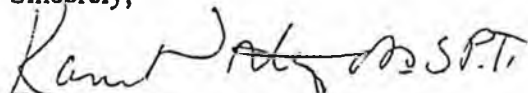
Karen Northrop, M.S., P.T.  
P.O. Box 1506  
Homer, AK 99603

1 February 2001

Dear Senator Gene Therriault,

Thank you for introducing Senate Bill 52 "An Act extending the termination of the State Physical and Occupational Therapy Board" for the next seven years. I support the bill as it is written today.

Sincerely,

  
Karen Northrop, M.S., P.T.

**The Physical Therapy Place**  
907-569-5557 fx 907-569-5562

Fax Cover Sheet

---

To: Senator Gene Therriault

From: Joy Backstrum, PT


Regarding: Senate Bill 52

Date: 2-02-01

Dear Senator Gene Therriault,

Thank you for introducing Senate Bill 52 "An Act extending the termination of the state Physical Therapy and Occupational Therapy Board" for the next 7 years. I am in support of this bill.

Sincerely,

  
Joy Backstrum, PT

Patricia McAdoo, PT, M.Ed, CHES  
PO Box 140350  
Anchorage, AK 99514-0350  
2 February 2001

Senator Gene Therriault  
Room 121  
State Capitol  
Juneau, AK 99801-1182

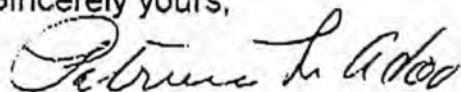
Dear Senator Therriault:

I am a licensed physical therapist and have read Senate Bill 52. I strongly support this legislation.

As a past president of the Alaska Physical Therapy Association, I have followed the Physical Therapy Practice Act very closely since my initial licensure in 1982. There have been no major changes to the legislation since occupational therapists were licensed in the late 1980's. It would be very cost effective for the State to extend the time between legislative reviews as any technical changes can be handled through the regulatory process..

Thank you for your support of the profession of physical therapy and your commitment to safe and cost effective government. If you have any questions, you may contact me at 907-333-1378.

Sincerely yours,



Patricia McAdoo

February 1, 2001

TO: Senator Gene Therrialt  
FAX: (907) 465-3884

Dear Senator Therrialt,

Thank you for introducing Senate Bill 52 "An Act extending the termination date of the State Physical and Occupational Therapy Board," extending the board for seven (7) years. I support the bill as it is written today.

Sincerely,

*Marcia Everson, PT*

Marcia Everson, PT  
19420 Upper Skyline Drive  
Eagle River, AK 99577  
(907) 696-2980

Rebecca Byerley, P.T.  
Director, Physical Medicine and Rehabilitation  
Central Peninsula General Hospital  
250 Hospital Place  
Soldotna, AK 99669

February 2, 2001

Dear Senator Gene Therriault,

Thank you for introducing Senate Bill 52 'An Act extending the termination of the State Physical Therapy and Occupation Therapy Board' for the next 7 years. I support the bill as it is written today.

Sincerely,

*Rebecca Byerley, P.T.*  
Rebecca Byerley, P.T.

Child's Day Physical Therapy  
De Lewis, PT  
1940 Stanford Drive  
Anchorage, AK 99508  
907-276-7529

February 5, 2001

Dear Senator Gene Therriault,

Thank you for introducing Senate Bill 52. "An Act extending the termination of the State Physical Therapy and Occupational Therapy Board" for the next seven years. I support the bill as written today.

Sincerely,

*Denise W Lewis, PT*

Denise W. Lewis, PT

**Sound Health Physical Therapy  
11132 Placer Circle  
Eagle River, AK 99577**

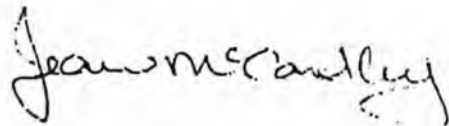
February 2, 2001

Senator Gene Therriault  
Alaska State Senate  
Juneau, AK

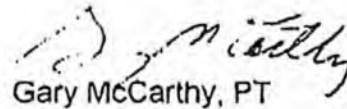
Dear Senator Therriault:

Thank you for introducing Senate Bill 52, "An Act extending the termination of the State Physical Therapy and Occupational Therapy Board" for the next seven years. We support the Act as written today.

Sincerely,



Jean McCarthy, PT



Gary McCarthy, PT

# FISCAL NOTE

**STATE OF ALASKA**  
**2001 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: SB 52  
 () Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): 2/02/2001 2:35p.m. Dept. Affected: DCED  
 Title: An Act extending the termination date of the BRU: Occupational Licensing  
State Physical Therapy and Occupational Therapy Board Component: Occupational Licensing  
 Sponsor: Senate Rules  
 Requester: Senate Labor and Commerce Component Number: 2360

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		
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**FUND SOURCE** (Thousands of Dollars)

FUND SOURCE	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1156 RSS						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		

Estimate of any current year (FY2001) cost: 0.0

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

The bill extends the State Physical Therapy and Occupational Therapy Board s to June 30, 2007. Funding for the board is included in the FY 2002 Operating Budget request and new funds are not required. For informational purposes, the attached page shows expenditure and revenue information for the last two fiscal years.

Prepared by: Jennifer Strickler, Administrative Manager Phone (907) 465-2144  
 Division: Occupational Licensing Date/Time 2/02/2001 2:35pm  
 Approved by: Commissioner Deborah B. Sedwick Date 2/2/2001  
 Agency: Department of Community and Economic Development

For distribution information, call the Governor's Legislative Office

ANALYSIS: (continued)  
 SB 52: An Act extending the termination date of the State Physical Therapy and Occupational Therapy Board  
 Page 2 of 2

FY 1999 Expenditures

FY 2000 Expenditures

Personal Services:

Direct	33,867.54	29,777.66
Indirect	12,673.41	15,321.99

Travel:

Direct	7,414.03	6,823.44
Indirect	179.03	145.77

Contractual Services:

Direct	7,384.65	6,850.59
Indirect	7,079.42	10,175.58

Supplies:

Direct	289.40	17.74
Indirect	895.04	869.29

Equipment

Direct	0.00	0.00
Indirect	639.14	383.66

<b>TOTAL:</b>	<u>70,421.66</u>	<u>70,365.72</u>
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<b>REVENUE:</b>	34,056.52	116,235.28
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**SENATE COMMITTEE REPORT  
First Committee of Referral**

DATE: 1/23/01

FURTHER: Finance

Date of 5-Day Notice: 2/1/01  
(in accordance with Uniform Rule 23)

DATE TURNED  
IN TO OFFICE: 2/6/01

Labor and Commerce Committee considered

SENATE BILL NO. 52

"An Act extending the termination date of the State Physical Therapy and Occupational Therapy Board."

and recommends:

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

**Senate Bill:**

- same title
- new title

**House Bill:**

- same title
- technical title
- new: SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#
DCEB	2/2/01		✓	

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>	✓			
<i>Betty Davis</i>	✓			
<i>Henry A. Hemen</i>	✓			
<i>[Signature]</i>	✓			
CHAIR: <i>[Signature]</i>	✓			

# Audit Report

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DEPARTMENT OF COMMUNITY AND  
ECONOMIC DEVELOPMENT  
STATE PHYSICAL THERAPY  
AND OCCUPATIONAL THERAPY BOARD  
SUNSET REVIEW

October 20, 2000

---



Audit Control Number:

08-20004-00

Division of Legislative Audit

P.O. Box 113300, Juneau, Alaska 99811-3300

# LEGISLATIVE BUDGET AND AUDIT COMMITTEE

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## DIVISION OF LEGISLATIVE AUDIT

The Legislative Budget and Audit Committee is a permanent interim committee of the Alaska Legislature. The committee is made up of five senators and five representatives, with one alternate from each legislative chamber. The chairmanship of the committee alternates between the two chambers every legislature.

The committee is responsible for providing the legislature with audits of state government agencies. The programs and activities of state government now cost more than \$6 billion a year. As legislators and administrators try increasingly to allocate state revenues effectively and make government work more efficiently, they need information to evaluate the work of governmental agencies. The audit work performed by the Division of Legislative Audit helps provide that information.

As a guide to all their work, the Division of Legislative Audit complies with generally accepted auditing standards established by the American Institute of Certified Public Accountants and with government auditing standards established by the U.S. General Accounting Office.

Audits are performed as mandated by Alaska Statutes or at the direction of the Legislative Budget and Audit Committee. Individual legislators or committees can submit requests for audits of specific programs or agencies to the committee for consideration. Copies of all completed audits are available from the Division of Legislative Audit's offices in either Juneau, Anchorage, or our web site <http://www.legis.state.ak.us/legaud/web/default.htm>.

### BUDGET AND AUDIT COMMITTEE

**Representative Gail Phillips, Chair**  
**Representative Con Bunde**  
**Representative Eric Croft**  
**Representative Gary Davis**  
**Representative Gene Therriault**  
**Representative Eldon Mulder (alternate)**

**Senator Randy Phillips, Vice Chair**  
**Senator Al Adams**  
**Senator Rick Haiford**  
**Senator Sean Parnell**  
**Senator Gary Wilken**  
**Senator Drue Pearce (alternate)**

### DIVISION OF LEGISLATIVE AUDIT

**Pat Davidson, CPA**  
**Legislative Auditor**

**P.O. Box 113300**  
**Juneau, Alaska 99811-3300**

**(907) 465-3830, Juneau**  
**(907) 561-1445, Anchorage**  
**(907) 465-2347, Juneau Fax**

# ALASKA STATE LEGISLATURE

## LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit



P.O. Box 113300  
Juneau, AK 99811-3300  
(907) 465-3830  
FAX (907) 465-2347  
Internet e-mail address:  
legaudit@legis.state.ak.us

October 20, 2000

Members of the Legislative Budget  
and Audit Committee:

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

DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT  
STATE PHYSICAL THERAPY AND  
OCCUPATIONAL THERAPY BOARD  
SUNSET REVIEW

October 20, 2000

Audit Control Number

08-20004-00

The objective of the audit was to determine if the State Physical Therapy and Occupational Therapy Board's statutory termination date should be extended. Currently, under AS 08.03.010(c)(16) the board terminates on June 30, 2001. As of July 1, 2001, the board will begin its one-year "wrap up" period and, if no action is taken by the legislature, the board will be dissolved at June 30, 2002. We recommend that the legislature extend the board until June 30, 2007.

In the Report Conclusions section of this report, we note this extension period is beyond the standard suggested in statute. Our primary reason for recommending the longer extension date is to better balance the number of boards subject to sunset legislative hearings in any given year.

The audit was conducted in accordance with generally accepted government auditing standards. Fieldwork procedures utilized in the course of developing the findings and discussion presented in this report are discussed in the Objectives, Scope, and Methodology section of this report.

A handwritten signature in black ink that reads "Pat Davidson".

Pat Davidson, CPA  
Legislative Auditor

## TABLE OF CONTENTS

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Organization and Function .....	3
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## OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with the intent of Titles 24 and 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities of the State Physical Therapy and Occupational Therapy Board to determine if the board's termination date, as set out in statute, should be extended.

As required by statute, the legislative committee of reference is to consider this report as part of the oversight process in determining whether this board should be reestablished. The law currently specifies that the board will terminate on June 30, 2001, and will have one year from that date to conclude its affairs.

### Objectives

Given the context as discussed above, the objectives of our review are twofold:

1. To determine if the termination date of the board should be extended.
2. To determine if the board is operating in the public's interest and determine if the board has exercised appropriate control over licensed physical and occupational therapists.

The assessment of the operations and performance of the board was based on criteria set out in AS 44.66.050(c). Criteria set out in this statute relate to the determination of a demonstrated public need for the board.

### Scope and Methodology

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

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

1. Applicable statutes and regulations.
2. Interviews with Department of Commerce and Economic Development, Division of Occupational Licensing.
3. Licensing files.
4. Investigation files.
5. Annual reports of the board's activities.
6. Minutes of the board's meetings.
7. Division of Occupational Licensing policy and procedures manual.
8. Contents of the board's correspondence files.
9. Other relevant documents.

(Intentionally left blank)

## ORGANIZATION AND FUNCTION

The State Physical Therapy Board was established in 1974. In 1987 its scope and authority was expanded to the licensing and oversight of practitioners of occupational therapy. Accordingly, the board was renamed the State Physical Therapy and Occupational Therapy Board.

The current board is comprised of seven members: three physical therapists, two occupational therapists, one physician, and one public member.

Alaska Statute also requires that the public member of the board have no direct financial interest in the health care industry. Board members are appointed by the governor and serve staggered terms of four years.

Alaska Statute 08.84.010 establishes the powers of the board. They include:

1. Examining qualified applicants.
2. Suspending, revoking, or refusing to issue or renew a license.
3. Issuing permits to license physical therapists, physical therapy assistants, occupational therapists, and occupational therapy assistants who meet standards of education and training determined to be necessary by the board.

State Physical Therapy And Occupational  
Therapy Board  
as of October 1, 2000

Professional Members

Ann P. Matson, Chair, Occupational Therapist  
Dee Berline, Occupational Therapist  
Sundi M. Hondl, Physical Therapist  
Leslie F. Schwartz, Physical Therapist  
Lawrence W. Seethaler, Physical Therapist  
Cary S. Keller, M.D., Physician

Public Member

JoAnne Bell-Graves, Public Member

### Department of Community and Economic Development, Division of Occupational Licensing

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

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

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

(Intentionally left blank)

## REPORT CONCLUSIONS

In our opinion, the State Physical Therapy and Occupational Therapy Board is operating in an efficient and effective manner and should continue to regulate physical and occupational therapists. We believe the board is safeguarding the public interest by promoting the competence and integrity of those who hold themselves out to the public as qualified and competent physical therapists, occupational therapists, physical therapy assistants, and occupational therapy assistants.

The State Physical Therapy and Occupational Therapy Board serves a public purpose and has demonstrated an ability to conduct its business in a satisfactory manner. The board continues to propose changes to regulations to improve the effectiveness of the board and ensure that physical therapists, occupational therapists, physical therapy assistants, and occupational therapy assistants are licensed in the State of Alaska.

Alaska Statute 08.03.010(c)(16) requires the State Physical Therapy and Occupational Therapy Board be terminated on June 30, 2001. Under AS 08.03.020, the board has a one-year period to administratively conclude its affairs.

Alaska Statute 08.03.020(c) provides that a *"board may be continued or reestablished by the legislature for a period not to exceed four years unless the board is continued or reestablished for a longer period..."*[Emphasis added.] The operations of the Physical Therapy and Occupational Therapy Board have presented very few concerns or areas needing improvement. Accordingly, we recommend the legislature extend the board's termination date for a six-year period to June 30, 2007.

(Intentionally left blank)

## ANALYSIS OF PUBLIC NEED

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

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

The board, through its administration of the licensure of physical therapists, occupational therapists, physical therapy assistants, and occupational therapy assistants, has endeavored to present competent professionals to the public. Proof of continuing professional education is required for license renewal to promote continued competence. Licensees are required to publicly display their licenses. This notifies the public that their practitioner has met the standards for the issuance and renewal of their licenses.

The board has served the public through its examination and licensing of qualified applicants. The board adopted or revised regulations regarding professional conduct and ethical standards,<sup>1</sup> regulations governing licensure and education requirements, enforced the laws for issuing licenses in a uniform manner, held meetings, and administered examinations in accordance with statutory requirements.

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

In 1998, legislation was adopted requiring that foreign trained physical therapists and physical therapist assistants pass a test of English language proficiency. Previous legislation required that applicants who have graduated from a university outside of the United States take an oral English proficiency exam only at the board's discretion. This amendment to state statutes ensures uniform enforcement and licensure of foreign trained applicants.

The State Physical Therapy and Occupational Therapy Board has been active in the providing information to the public, professional and state societies and associations. A member of the board attends every state association meeting to act as an ambassador to the association.

Annual reports for fiscal years 1998, 1999, and 2000 were submitted in a timely manner to the Division of Occupational Licensing.

<sup>1</sup>State Regulation 12 AAC 54.500(c) requires that the profession maintain a high standard of integrity. The regulations go on to state that physical therapists and physical therapy assistants must adhere to the ethical standards set out in the Code of Ethics, as amended June 1991, American Physical Therapy Association, and the Guide for Professional Conduct, as amended January 1996, American Physical Therapy Association. In the view of the board, adherence to such standards better promotes the health and welfare of the public.

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

The board supported legislation, which was introduced in 1997 that requires foreign trained physical therapists and physical therapist assistants to pass a test of English language proficiency. The legislation was adopted by the legislature in 1998.

Further legislation was introduced in 1997 to adopt physical therapy standards, rules for professional conduct, and a code of ethics among physical therapist. These standards were adopted, in 1998, from a national association of physical therapists, the American Physical Therapy Association.

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

The location, date and time of upcoming board meetings and notices of proposed changes in regulations are published in the *Anchorage Daily News*, the *Fairbanks Daily News-Miner*, and the *Juneau Empire*.

The board's meeting agenda sets aside adequate time to take public comment. Minutes of the board meetings reflect public participation throughout the meeting. Proposed regulations are often circulated to those affected by the proposed regulations through professional trade journals, public notice advertisement, or direct mail correspondence from the Division of Occupational Licensing.

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

Public notices of proposed regulations are published in major newspapers, as previously discussed. Meetings are adequately advertised, and time set aside for public testimony.

Major proposed regulation changes were circulated through the professional community by either direct response mailing to the affected license holders, or providing the proposed changes to the state associations for publication in member newsletters. Feedback resulted in changes to the proposed regulations addressing the profession's concerns.

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

During the past three fiscal years (FY 98 – FY 00), the Division of Occupational Licensing received 17 complaints concerning individuals licensed by the board. Of these 17 complaints, the division has completed 12 investigations as of the date of our audit fieldwork.

Five of these 12 cases were resolved by the board through the issuance of a written reprimand, all cases involved individuals practicing with a lapsed license.

The remaining 7 cases were resolved by the division through the issuance of warning letters (3), findings of no violation (3), and 1 case which was administratively closed. No licenses were revoked, suspended, or placed in probationary status.

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

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

New Licenses and Permits Issued (Exclusive of Renewals)	FY 98	FY 99	FY 00	Total	Current as of June 30, 2000
Physical Therapists	47	45	50	142	342
Physical Therapy Assistants	7	7	5	19	30
Occupational Therapists	15	22	17	54	153
Occupational Therapy Assistants	-0-	2	5	7	10
Temporary Permits	36	41	44	121	-
Limited Permits	15	4	8	27	-

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

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

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

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

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

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

Tony Knowles, Governor

*Alaska*

**Department of Community  
and Economic Development**

**Division of Occupational Licensing**

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

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

Email: [license@dced.state.ak.us](mailto:license@dced.state.ak.us) • Website: [www.dced.state.ak.us/occl/](http://www.dced.state.ak.us/occl/)

November 22, 2000

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

Dear Ms. Davidson,

Thank you for this opportunity to comment on the Preliminary Audit Report (#08-20004-00). We concur with the report and support the continuation of the State Physical Therapy and Occupational Therapy Board, through June 30, 2007.

Sincerely,



Catherine Reardon  
Director

**S B**

**5 3**

## SENATE COMMITTEE REPORT First Committee of Referral

DATE: 1/23/01

FURTHER: Finance

Date of 5-Day Notice: 2/1/01  
(in accordance with Uniform Rule 23)

DATE TURNED  
IN TO OFFICE: 2/8/01

Labor and Commerce Committee considered

SENATE BILL NO. 53

"An Act extending the termination date of the Board of Barbers and Hairdressers."

and recommends:

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

Senate Bill:

- same title
- new title

House Bill:

- same title
- technical title
- new: SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#
DCEd	2/2/01		✓	

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Alan Cluster</i>	✓			
<i>Betty Davis</i>	✓			
<i>David S. Leman</i>	✓			
<i>John Ingram</i>	✓			
CHAIR: <i>Robert E. ...</i>	✓			

# FISCAL NOTE

**STATE OF ALASKA**  
**2001 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
Bill Version: SB 53  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): 2/02/2001 2:36p.m. Dept. Affected: DCED  
Title: An Act extending the termination date of the BRU: Occupational Licensing  
Board of Barbers and Hairdressers Component: Occupational Licensing  
Sponsor: Senate Rules  
Requester: Senate Labor and Commerce Component Number: 2360

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		
-------------------------------	------------	------------	------------	------------	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1156 RSS						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		

Estimate of any current year (FY2001) cost: 0.0

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

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

Prepared by: Jennifer Strickler, Administrative Manager Phone (907) 465-2144  
Division: Occupational Licensing Date/Time 2/02/2001 2:36pm  
Approved by: Commissioner Deborah B. Sedwick Date 2/2/2001  
Agency: Department of Community and Economic Development

For distribution information, call the Governor's Legislative Office

ANALYSIS: (continued)

SB 53: An Act extending the termination date of the Board of Barbers and Hairdressers

Page 2 of 2

FY 1999 Expenditures

FY 2000 Expenditures

Personal Services:

Direct	48,563.95	64,571.87
Indirect	91,585.18	95,937.69

Travel:

Direct	5,525.64	4,102.67
Indirect	1,293.75	912.70

Contractual Services:

Direct	16,142.49	25,332.57
Indirect	51,159.85	63,713.76

Supplies:

Direct	266.60	164.50
Indirect	6,468.04	5,442.99

Equipment

Direct	0.00	0.00
Indirect	4,618.76	2,402.29

<b>TOTAL:</b>	<b>225,624.26</b>	<b>262,581.04</b>
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<b>REVENUE:</b>	<b>65,949.00</b>	<b>386,439.69</b>
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# Alaska State Legislature

SENATOR  
GENE THERRIAULT

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



Senate

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

Senate District O

## Senate Bill 53

**"An Act extending the termination date of the Board of Barbers and Hairdressers."**

**Sponsor:**

**Senate Rules Committee by the Request of the Legislative Budget and Audit Committee**

## Sponsor Statement

---

Under AS 08.13.010 the Board of Barbers and Hairdressers regulates the vocations of barbering, hairdressing, manicuring, esthetics and body piercing and the vocation of body tattooing and permanent cosmetic coloring by ensuring that the requirements laid out for licensure are met and adhered to.

The Board consists of six members appointed by the governor having the qualifications as set out in AS 08.13.010. Board membership is prescribed by statute as having two barbers, one person licensed to practice body piercing or practice tattooing and permanent cosmetic coloring, two hairdressers one of whom is also an esthetician, and one public member.

The regulation and licensing of qualified barbers, hairdressers, manicurists, estheticians and body piercers, and tattooists and permanent cosmetic colorists safeguards the public by ensuring the competence and integrity of those who represent themselves being licensed to practice in Alaska. Further, oversight by the board assists to ensure sanitary practices, safety of procedures, and use of instruments, equipment, and chemicals permitted within such fields of practice.

The Board of Barbers and Hairdressers is set to expire June 30, 2001 under AS 08.03.010, Termination of State Boards and Commissions. If the Legislature does not act to extend the Board, it would have one year, until June 30, 2002 to administratively conclude its affairs. Senate Bill 53 will extend the Board for another four years to June 30, 2005.



Wally Knowles, Governor

**Department of Community  
and Economic Development**

**Division of Occupational Licensing**

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

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

Email: [license@dced.state.ak.us](mailto:license@dced.state.ak.us) • Website: [www.dced.state.ak.us/occ/](http://www.dced.state.ak.us/occ/)

February 1, 2001

Members of the Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

Dear Senators and Representatives:

Thank you for your consideration of the continuation of the Board of Barbers and Hairdressers as provided for in SB 53 and HB 74.

On behalf of the Board of Barbers and Hairdressers, I would like to take this opportunity to extend the board's full support for the legislation extending the board until June 30, 2005. We welcome the opportunity to continue serving the public in our role as board members.

Sincerely,

A handwritten signature in cursive script that reads "Sheryl Sutton".

Sheryl Sutton, Chairperson  
Board of Barbers and Hairdressers

# Audit Report

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DEPARTMENT OF COMMUNITY AND  
ECONOMIC DEVELOPMENT  
BOARD OF BARBERS AND HAIRDRESSERS  
SUNSET REVIEW

October 20, 2000

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Audit Control Number:

08-20003-00

Division of Legislative Audit

P.O. Box 113300, Juneau, Alaska 99811-3300

# LEGISLATIVE BUDGET AND AUDIT COMMITTEE

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## DIVISION OF LEGISLATIVE AUDIT

The Legislative Budget and Audit Committee is a permanent interim committee of the Alaska Legislature. The committee is made up of five senators and five representatives, with one alternate from each legislative chamber. The chairmanship of the committee alternates between the two chambers every legislature.

The committee is responsible for providing the legislature with audits of state government agencies. The programs and activities of state government now cost more than \$6 billion a year. As legislators and administrators try increasingly to allocate state revenues effectively and make government work more efficiently, they need information to evaluate the work of governmental agencies. The audit work performed by the Division of Legislative Audit helps provide that information.

As a guide to all their work, the Division of Legislative Audit complies with generally accepted auditing standards established by the American Institute of Certified Public Accountants and with government auditing standards established by the U.S. General Accounting Office.

Audits are performed as mandated by Alaska Statutes or at the direction of the Legislative Budget and Audit Committee. Individual legislators or committees can submit requests for audits of specific programs or agencies to the committee for consideration. Copies of all completed audits are available from the Division of Legislative Audit's offices in either Juneau, Anchorage, or our web site <http://www.legis.state.ak.us/legaud/web/default.htm>.

### BUDGET AND AUDIT COMMITTEE

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**Representative Con Bunde**  
**Representative Eric Croft**  
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**Representative Eldon Mulder (alternate)**

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**Senator Al Adams**  
**Senator Rick Halford**  
**Senator Sean Parnell**  
**Senator Gary Wilken**  
**Senator Drue Pearce (alternate)**

### DIVISION OF LEGISLATIVE AUDIT

**Pat Davidson, CPA**  
**Legislative Auditor**

**P.O. Box 113300**  
**Juneau, Alaska 99811-3300**

**(907) 465-3830, Juneau**  
**(907) 561-1445, Anchorage**  
**(907) 465-2347, Juneau Fax**

# ALASKA STATE LEGISLATURE

## LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit



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Juneau, AK 99811-3300  
(907) 465-3830  
FAX (907) 465-2347  
Internet e-mail address:  
legaudit@legis.state.ak.us

October 20, 2000

Members of the Legislative Budget  
and Audit Committee:

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

DEPARTMENT OF COMMUNITY AND  
ECONOMIC DEVELOPMENT  
BOARD OF BARBERS AND HAIRDRESSERS  
SUNSET REVIEW


October 20, 2000

Audit Control Number

08-20003-00

The objective of the audit was to determine whether the Board of Barbers and Hairdressers' statutory termination date should be extended. Currently, under AS 08.03.010(c)(4) the board terminates on June 30, 2001. As of July 1, 2001, the board will begin its one-year "wrap up" period and, if no action is taken by the legislature, the board will be dissolved at June 30, 2002. We recommend that the legislature extend the board until June 30, 2005.

The audit was conducted in accordance with generally accepted government auditing standards. Fieldwork procedures utilized in the course of developing the findings and discussion presented in this report are discussed in the Objectives, Scope, and Methodology section of this report.

  
Pat Davidson, CPA  
Legislative Auditor

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## OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with the intent of Titles 24 and 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities of the Board of Barbers and Hairdressers.

As required by AS 44.66.050(a), the committee of reference shall consider this report during the legislative oversight process to determine whether the board should be reestablished. Currently, AS 08.03.010(c)(4) states that the board will terminate on June 30, 2001, and will have one year from that date to conclude its affairs.

### Objectives

1. To determine if the termination date of the board should be extended.
2. To determine if the board is operating in the public's interest and determine if the board has exercised general control over the vocations of barbering, hairdressing and manicuring, and esthetics.<sup>1</sup>

The assessment of the operations and performance of the board, was based on criteria set out in AS 44.66.050(c). Criteria set out in this statute relate to the determination of a demonstrated public need for the board.

### Scope and Methodology

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

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

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

1. Applicable statutes and regulations.
2. Compliance with statutes and regulations related to the licensing of barbers, hairdressers, and cosmetologists. Our evaluation addressed considerations of license applications and testing of candidates.
3. Minutes of meetings of the Board of Barbers and Hairdressers.

---

<sup>1</sup>Alaska Statute 13.08.220(4) defines esthetics as meaning "the use of the hands, appliances, cosmetic preparations, antiseptics, or lotions in massaging, cleansing, stimulating, or similar work on the scalp, face or neck, including skin care, make-up, and temporary removal of superfluous hair, for cosmetic purposes for a fee."

During the 2000 session, the legislature expanded the board's authority to include oversight and regulation of body piercing, tattooing and cosmetic coloring of the skin. At the time of fieldwork for this review, the board was in the early stages of developing the necessary regulations and policies regarding these professions. Accordingly, the board activities in this area are not addressed in the review.

4. Annual reports issued by the board.
5. Complaints filed with, or generated by, the Division of Occupational Licensing and the Department of Law.
6. Reading files maintained at the Division of Occupational Licensing.

## ORGANIZATION AND FUNCTION

Alaska Statute 08.13.010 establishes the Board of Barbers and Hairdressers. It was established in 1980 as a result of the legislature combining the Board of Barbers and the Board of Hairdressing and Beauty Culture Examiners.

The governor appoints members of the board to serve four year terms. Board terms are staggered in order to promote continuity and enhance historical perspective. In 2000, the legislature increased the size of the board from five to six.

The board is made up of two barbers; two hairdressers; a public member; and the new sixth member an individual licensed to practice either body piercing or tattooing and permanent cosmetic coloring.<sup>2</sup>

### Licensing requirements

In general, under a state law a person may not practice barbering, hairdressing, or esthetics without a license, temporary permit, temporary license, or student permit issued by the board. All such practice must take place in a licensed shop or school licensed under terms set by statute and the board. The board also regulates school operations related to barbering, hairdressing, or esthetics.

As of the date of this report, the board was just beginning to develop regulations and standards for the licensing of body piercing and tattoo/cosmetic colorist practitioners.

### Department of Community and Economic Development, Division of Occupational Licensing

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

Board of Barbers and Hairdressers  
as of October 1, 2000

#### Professional Members

Sheryl L. Sutton, Chair, Barber  
Lawrence R. Krupa, Barber  
Darae Crews, Hairdresser  
Rosalyn C. Mullen, Hairdresser  
Vacant, Hairdresser

#### Public Member

Robert Pearson, Public Member

<sup>2</sup> The statutes define "tattooing and permanent cosmetic coloring" as:

*the process by which the skin is marked or colored by insertion of nontoxic dyes or pigments into the dermal layer of the skin so as to form indelible marks, figures, or decorative designs for nonmedical purposes.*

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

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

## REPORT CONCLUSIONS

In our opinion, the Board of Barbers and Hairdressers should be reestablished. The regulation and licensing of qualified barbers, hairdressers and estheticians is of benefit to the public's health, safety, and welfare. The board benefits the public by establishing minimum educational and experience requirements that provide reasonable assurance that persons licensed are qualified. Assurances that those licensed act in a competent manner is provided by active investigation of complaints conducted by the Division of Occupational Licensing's investigative unit within the Department of Community and Economic Development.

Alaska Statute 08.03.010(c)(4) requires the Board of Barbers and Hairdressers be terminated on June 30, 2001. Under AS 08.03.020, the board has a one-year period to administratively conclude its affairs. We recommend the board's termination date be extended to June 30, 2005.

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## ANALYSIS OF PUBLIC NEED

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

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

Alaska Statute 08.13.040 requires that the Board of Barbers and Hairdressers administer the examination semi-annually. The Board of Barbers and Hairdressers has administered the examination on an average of six times a year in Anchorage and three times a year in both Fairbanks and Juneau.

The board successfully implemented changes and modifications to regulations and statutes that govern the field of barbering and hairdressing. The new modifications to the statutes and regulations are:

1. Additional statutes, which allow the board to regulate the licensing of manicurists and nail care technicians. This legislation allows the board to regulate nail care professionals specifically in the realm of health and safety, further providing a benefit to the public.
2. Amendment of current legislation regarding student permits, which allow for students to have a temporary permit to work not more than 120 days under a licensed practitioner. This change allows the student to gain practical experience as well as providing themselves with an economic income for a short time period while applying to the board for examination and licensure.

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

Maintaining full membership on the board has been a problem in the past. The board operated without a public member for all of FY 97 until early in FY 98. Since FY 98 and throughout our review, the board has been operating as designed by statute and regulation with all members appointed, making a conscientious effort to attend all of the board meetings. The licensed hairdresser/esthetician member of the board resigned in November 1999, creating a vacancy on the board. In addition, the passage of new statutes and regulations requiring the board to regulate the field of tattooing, body piercing, and permanent cosmetic coloring, has left the board with an additional vacancy, to be filled by the Office of the Governor.

The lack of board members impacts the board's ability to effectively regulate the profession and increases the risk of not having a quorum if a board member cannot attend a meeting, resigns, or becomes seriously ill. The vacancy in the hairdresser/licensed esthetician position results in the board no longer possessing adequate expertise to regulate and fulfill its responsibilities to the public.

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

The board supported legislation, which was introduced in 1996 and again in 1998 that expands the mandate of the board to regulate and license nail care professionals. The legislation is consistent with the current statute for barbers and hairdressers and allows the board to regulate the profession with the same consistency, in the same manner in which it currently oversees the other license-holders under its purview. Legislation to regulate the nail-care profession within the State of Alaska, was adopted by the legislature in FY 99.

The board supported additional legislation, which was introduced in 1998 that combines the hairdresser and cosmetology licenses and creates a separate esthetician license for those choosing to have an exclusive "skin-care only" license. This legislation is consistent with the current statute that regulates barbers and hairdressers in the State of Alaska as well as various other states that have a combined cosmetology and hairdresser license. Legislation regulating the esthetician license "skin-care only" was adopted by the legislature in FY 99; legislation regulating hairdresser licenses and combining the cosmetology and hairdressers license remains pending as a recommendation from the Board of Barbers and Hairdressers to the Alaska State Legislature.

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

The location, date and time of upcoming board meetings and notices of proposed changes in regulations are published in the *Anchorage Daily News*, the *Fairbanks Daily News-Miner* and the *Juneau Empire*. The board's meeting agenda sets aside adequate time for the board to take public comment, and public comment is actively encouraged by the board any time the public feels it is relevant to the issues at hand. Minutes of the board meetings reflect public participation throughout the meeting.

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

Meetings were adequately advertised and time was set aside for public testimony. The board actively encourages public testimony any time that the public testimony is relative to the issues and topics at hand or will enhance the decision making process. A review of the minutes of board meetings provided public comment throughout the meeting, that is not

limited to the scheduled public comment period. Proposed changes to regulations and statutes are subjected to the public participation process.

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

During the past three fiscal years (FY 98 – FY 00), the Division of Occupational Licensing handled 58 complaints related to activities regulated by the board. Of these 58 complaints, many were generated internally by division staff either through information obtained by the licensing examiner or from routine shop inspections. Of the 58 case investigations that were generated over the last three years, the division has completed 46 investigations as of the date of our audit fieldwork.

Of the 46 investigations, 34 were resolved without board action: through the use of warning letters (7), voluntary compliance (15), determinations of no violation (8), and four other miscellaneous administrative actions (4).

For the 12 cases brought before it, the board issued 9 reprimands, 11 fines, placed 6 licensees on probation, and directed one licensee to pay back fees. There were no license revocations or suspensions.

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

For the period reviewed, the board issued the following number of new licenses.

New License and Permits Issued (Exclusive of Renewals)	FY 98	FY 99	FY 00	Total	Current as of June 30, 2000
Barber	17	9	14	40	239
Hairdresser	141	133	147	421	1,945
Esthetician (previously Cosmetologist)	17	24	28	69	326
Instructor	2	5	8	15	155
Shop Owner	75	67	72	214	519
School	-	1	2	3	13
Student Permits	197	192	245	634	-
Temporary Permits	27	13	19	59	-
Temporary Licenses	-	-	9	9	-

Applicants can apply for licensure by examination or by credentials. Applicants by examination are required to take both a written and practical examination administered by the Board of Barbers and Hairdressers. Three people with at least one being a board member score the practical examination.

Staff of the Division of Occupational Licensing is responsible for calculating each examiner's points, by category, and averaging the three examiner's points to arrive at the applicant's final grade.

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

We did not find any evidence that the board was not complying with the state personnel practices, including affirmative action in qualifying applicants. We found no instances in which the board denied an applicant a license based on personal attributes.

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

Over the three year period covered by our review (FY 98 – FY 00) the board established seven specific operational objectives. These objectives involved such things as:

1. Making sure board meets an appropriate number of times necessary to conduct its regulatory function.
2. Making examinations more readily available for prospective applicants.
3. Training board members in the administration of licensing examinations.
4. Maintaining representation on national organizations involving regulatory oversight function.
5. Increased communication with schools regarding test results.
6. Support of the investigative effort involving non-licensed activity, etc.
7. Enhanced oversight of schools in meeting their responsibilities to students.

For the most part, the board either accomplished, or made significant strides towards accomplishment of these goals and objectives. In particular we believe the board's efforts to train its own members in the administration of the practical examination and its monitoring of the services and assistance provided to students are of particular note. By taking these actions the board is providing prospective applicants a more fair and consistent licensing and examination process, while at the same time providing some assurance that schools are training them appropriately, and making sure they are being treated fairly.

Tony Knowles, Governor

# Alaska Department of Community and Economic Development

## Division of Occupational Licensing

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

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Email: [license@dced.state.ak.us](mailto:license@dced.state.ak.us) • Website: [www.dced.state.ak.us/occl/](http://www.dced.state.ak.us/occl/)

November 22, 2000

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

Dear Ms. Davidson,

Thank you for this opportunity to comment on the Preliminary Audit Report (#08-20003-00). We concur with the report and support the continuation of the Board of Barbers and Hairdressers through June 30, 2005.

A minor correction needs to be made to the list of board members on page 3. As of October 1, 2000, the vacant position was the tattooist or body piercer seat. The board consists of one public member, one tattooist or body piercer, two barbers and two hairdressers, one of whom must also be an esthetician. As of November 22, all board seats are filled.

Again, thank you for this opportunity to comment.

Sincerely,



Catherine Reardon  
Director

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# ALASKA STATE LEGISLATURE

## LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit



P.O. Box 113300

Juneau, AK 99811-3300

(907) 465-3830

FAX (907) 465-2347

Internet e-mail address:

legaudit@legis.state.ak.us

November 22, 2000

Members of the Legislative Budget  
and Audit Committee:

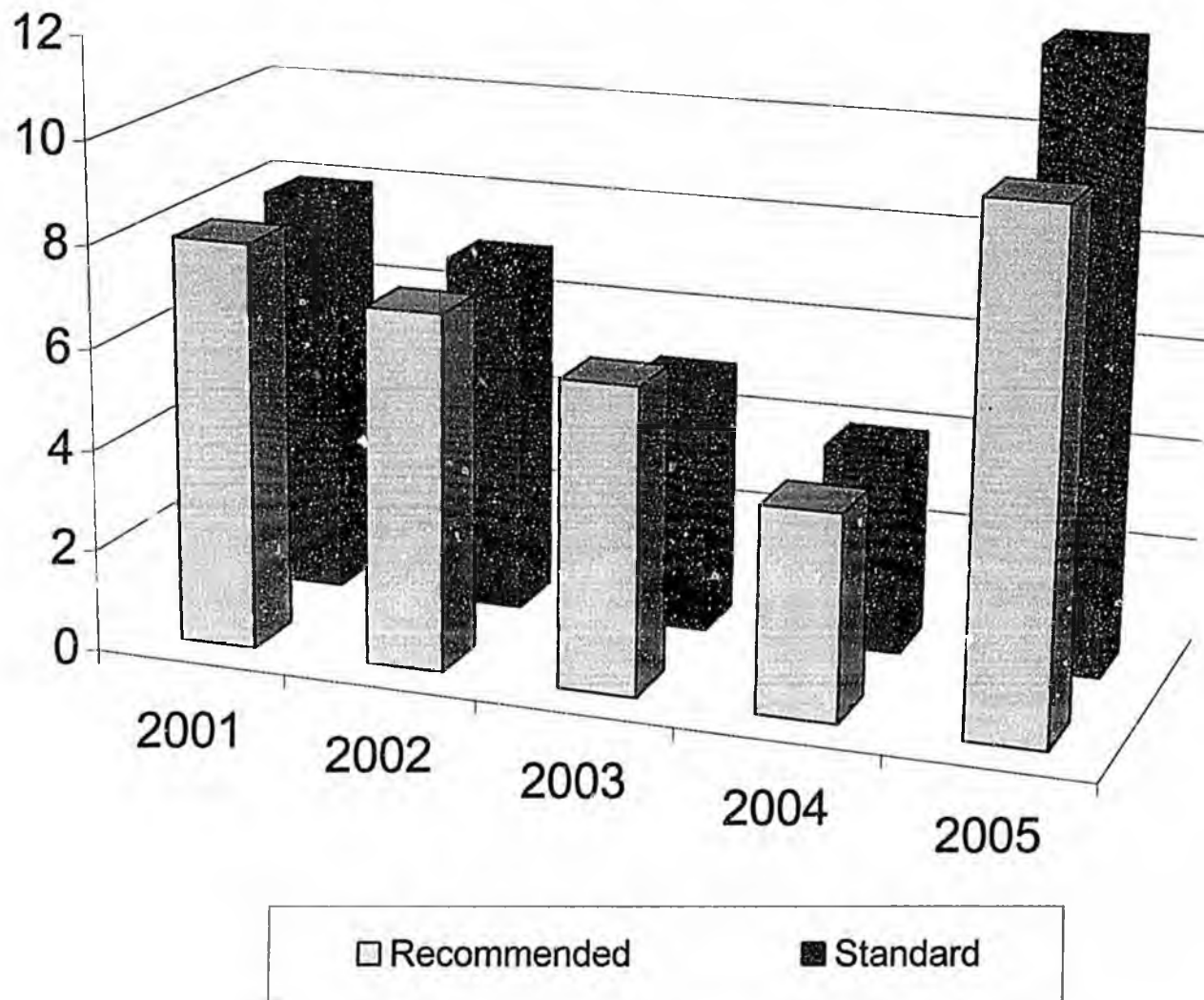
We have reviewed the response and acknowledge the correction made by the department regarding the composition of the board as of October 1, 2000.

A handwritten signature in cursive script that reads "Pat Davidson".

Pat Davidson

Legislative Auditor

## Number of Board and Commission Sunsets



**S B**

**5 8**



Out of Session:  
PO Box 531  
Golovin, Alaska 99762  
(907) 443-5599

In Session:  
State Capitol, Suite 510  
Juneau, Alaska 99801-1182  
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(907) 465-3707  
(907) 465-4821 Fax

SENATOR  
DONALD C. OLSON

DISTRICT S

Alakanuk  
Ambler  
Anaktuvuk Pass  
Atkasuk  
Barrow  
Brevig Mission  
Browerville  
Buckland  
Chevak  
Deering  
Diomedes  
Elim  
Emmonak  
Gambell  
Golovin  
Hopper Bay  
Kaktovik  
Kiana  
Kivalina  
Kobuk  
Kotlik  
Kolzebue  
Koyuk  
Mekoryuk  
Mountain Village  
Newtok  
Nightmute  
Noatak  
Nome  
Noorvik  
Nuiqsut  
Nunam Iqua  
Pitka's Point  
Point Hope  
Point Lay  
Savoonga  
Scammon Bay  
Selawik  
Shaktolik  
Shishmaref  
Shungnak  
St. Mary's  
St. Michael  
Stebbins  
Teller  
Toksook Bay  
Tununak  
Unalakleet  
Wainwright  
Wales  
White Mountain

SPONSOR STATEMENT

SB 58, Add Physician Assistant to State Medical Board.

SB 58 simply adds a physician assistant to the membership of the State Medical Board and adjusts the quorum requirement for meetings. Under current law, only physicians and public members with no financial connection to the health care industry may serve.

Presently, there are about 250 physician assistants providing a wide variety of medical services to Alaskans. They are an important part of Alaska's health care delivery system, accounting for over 50,000 patient-provider contacts per month. In rural settings, they are often the only health care practitioner and responder for emergency, life threatening situations.

The examination and licensing of physician assistants is the responsibility of the State Medical Board. In addition to setting licensing qualifications and evaluating competency, the board regulates the scope and nature of the medical services that a physician assistant is authorized to perform. Correspondingly, the board also defines the responsibilities that are required of an assistant's supervising physician. In many ways, the effectiveness of a physician assistant is dependent on the working relationship with the supervising physician.

Consequently, I believe it is important for the work of the board that a physician assistant be added to its membership. Having such representation will facilitate the deliberations and broaden the experience of the board.



## alaska academy of physician assistants

P.O. Box 74187 • Fairbanks, AK 99707-4187  
(800) 478-8684 • (907) 455-4649  
Fax (907) 479-2546 • Email [akapa@mosquionet.com](mailto:akapa@mosquionet.com)



### Addition of One Physician Assistant to State Medical Board

WHEREAS there are 250 physician assistant licensees of the State Medical Board. Physician assistants have been licensees for more than twenty years.

#### Board of Directors

Ed Hall  
President  
Anchorage, AK

Jeanne Clark  
President Elect  
Fairbanks, AK

Wendy Hladick  
Past President  
Dillingham, AK

Jim Wojcikowski  
Vice President  
Dillingham, AK

Patricia Brown  
Secretary-Treasurer  
Anchorage, AK

Don Hussen  
2-Year Board Member  
Fairbanks, AK

Mark Restad  
1 Year Board Member  
Homer, AK

WHEREAS there is currently no representation of physician assistant licensees to the State Medical Board.

WHEREAS consideration of physician assistant licensure, regulations and discipline are frequent topics of the State Medical Board and physician assistant participation would strengthen, enhance and support State Medical Board decision-making process.

WHEREAS physician assistants care for over 50,000 Alaskans every month, in a wide variety of institutions, and would therefore provide good representation of their patients (the public) towards matters before the State Medical Board.

WHEREAS physician assistants have proven interest and active participation in State Medical Board business by virtue of their active attendance at State Medical Board meetings for over four years.

WHEREAS physician assistants as licensees of the State Medical Board will contribute valuable opinions which will represent a wider spectrum of medical practitioners in Alaska.

THEREFORE BE IT RESOLVED THAT the Alaska Academy of Physician Assistants wishes to amend Article I State Medical Board, Section 08.64.010, Creation and Membership of State Medical Board, to state "The Governor shall appoint a board of medical examiners, to be known as the State Medical Board, consisting of five physicians, ONE PHYSICIAN ASSISTANT, licensed in the State and residing in as many as separate geographical areas of the State as possible, and two persons with no direct financial interest in the healthcare industry."

VISIT OUR WEBSITE @ [www.mosquionet.com/~akapa](http://www.mosquionet.com/~akapa)

The purpose of this Academy is to render loyal and honest service to the medical profession and to the public, to develop and enforce continuing educational programs for the Physician Assistant and the Academy membership, to promote the Physician Assistant concept through education of professional and lay people, and to promote similar interest in the student societies.

55-50  
BACKUP



**DON DOKKEN**  
President

**FAIRBANKS BUILDING  
& CONSTRUCTION TRADES COUNCIL  
AFL-CIO**

60 Hall Street  
Fairbanks, Alaska 99701  
1907/1 456-4748  
1907/1 452-3654



**JAY QUAKENBUSH**  
Secretary/Treasurer

January 30, 2001

The Honorable Governor Tony Knowles  
P O Box 110001  
Juneau, Alaska 99811

Dear Governor Knowles,

We have become aware that the Alaska Academy of Physician Assistants are lobbying for a Physician Assistant to be appointed to the State Medical Board. The Fairbanks Building and Construction Trade Council would like to express our endorsement of this idea.

Physician Assistants provide valuable medical care to thousands of our Union members and to the public at large. They will provide fair representation of their patients that reside through out the State, and contribute valuable knowledge and opinions to the State Medical Board

Thank you in advance for your consideration.

Respectfully,

Don Dokken  
President  
Fairbanks Building & Construction Trades Council

Tony Knowles, Governor



**Division of Occupational Licensing**

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

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Email: [license@dced.state.ak.us](mailto:license@dced.state.ak.us) • Website: [www.dced.state.ak.us/occ/](http://www.dced.state.ak.us/occ/)

*January 19, 2001*

*Ed Hall, PA-C, President  
Alaska Academy of Physician Assistants  
3651 LaTouche Street  
Anchorage AK 99508*

*Mr. Hall, I am pleased to advise you that at its meeting of January 18, 2001, the Alaska State Medical Board voted unanimously to support the Academy in its effort to provide for the inclusion of a physician assistant to the membership of the board.*

*The board appreciates the efforts of the members of the Academy and wishes you every success in pursuing this change to the board*

*Sarah A. Isto, M.D.*

*Sarah A. Isto, MD*

*Chair*

*Alaska State Medical Board*

# FISCAL NOTE

**STATE OF ALASKA**  
**2001 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: SB 58  
 () Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): 2/5/2001 4:58 p.m. Dept. Affected: DCED  
 Title: An Act relating to the membership and quorum requirements of the State Medical Board BRU: Occupational Licensing  
 Component: Occupational Licensing  
 Sponsor: Senators Olson, Wilken  
 Requester: Senate Labor & Commerce Component Number: 2360

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel	3.0	3.0	3.0	3.0	3.0	3.0
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1156 RSS	3.0	3.0	3.0	3.0	3.0	3.0
<b>TOTAL</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>

Estimate of any current year (FY2001) cost: 0.0

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

SB 58 adds one physician assistant to the membership of the State Medical Board. The Board meets four times each year and costs shown on this fiscal note will fund travel for the physician assistant position when attending board meetings throughout the State.

Prepared by: Jennifer Strickler, Administrative Manager Phone (907) 465-2144  
 Division: Occupational Licensing Date/Time 2/5/2001 4:35pm  
 Approved by: Commissioner Deborah B. Sedwick Date 2/5/2001 4:58p.m.  
 Agency: Dept. of Community and Economic Development

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