

ALASKA

NORTH TO OPPORTUNITY

DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT

Division of Corporations, Business and
Professional Licensing Overview
presented to House Labor and Commerce
Committee

Acting Director Sara Chambers
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- **Business Licensing**
 - Process applications and issue licenses
 - Grant tobacco endorsements
- **Corporations**
 - Register and maintain reporting corporate compliance
 - Register trademarks
- **Professional Licensing**
 - Provide public protection through licensure of professionals
 - Support to 21 boards and solely manage 22 programs
- **Investigations**
 - Respond to public complaints regarding violations of licensing law
 - Gather evidence to support a licensing action
 - Assist boards, commissions, and CBPL in enforcement
- **Administrative Support**
 - Provide front-line customer service
 - Support division's clerical and fiscal functions

CBPL Issues Timeline

2011: Special legislative audit on fee setting, indirect cost allocation, and investigations case management

2012: \$3.4 million appropriation to offset historical overpayment of indirect expenses by professional licensing programs

10-year reconciliation of professional licensing program revenues and expenses to state accounting system

2013: Publication of annual report to legislature; includes 6-year review

HB187 introduced to address fee-setting methodology and investigation cost-sharing; further analysis requested by LB&A

2014: LB&A initiates interim review of fee setting, indirect, travel, and investigative procedures

Issues Addressed in LB&A Subcommittee

Investigative procedures

- Board members are part of the “gate” that determines whether to initiate an effort on investigations
- Board members provide guidelines for consent agreement negotiations and make final decisions on license discipline
- Internal controls have reduced the division’s legal expenses by 34% since 2011
- Investigative unit reduced the open-to-close time of cases by 53% in 2014

Issues Addressed in LB&A Subcommittee

Board Travel

- Coordination through state travel agent, utilizing contract pricing and alleviating requirement for board members to personally bear significant travel expenses
- Direct-booking with regulatory associations to reduce travel expenses to boards
- Fund change permitted reimbursements for board member travel to be receipted back to the boards

Issues Addressed in LB&A Subcommittee

Indirect allocation methodology

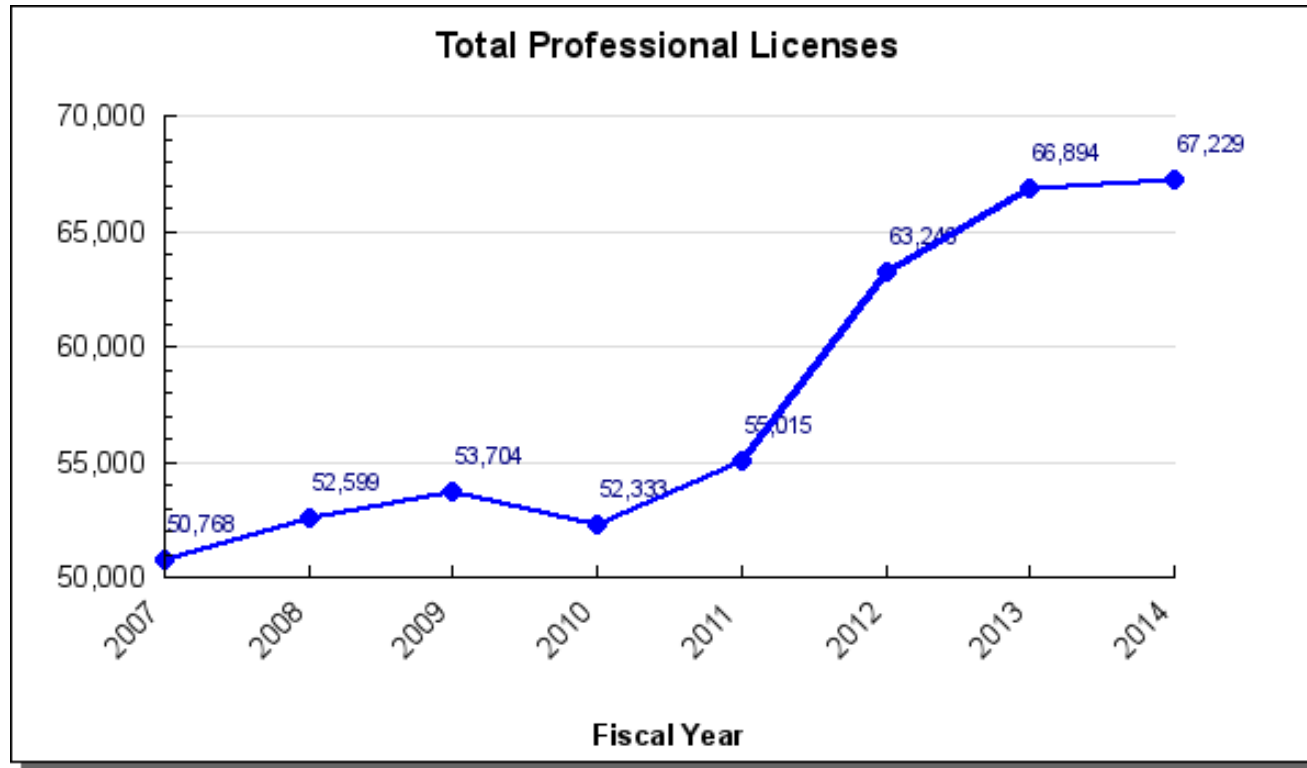
- Reduced division indirect by \$995,267 in FY14
- Published first annual report to professional licensing boards
- Introduced refinements to indirect methodology
 - Allocating costs, both statewide and departmental, to agencies based on PCN count
 - Allocation of CBPL personal services costs for administrative and accounting activity during high-volume renewal cycles
 - Allocation of ASD personal services costs for administrative and accounting activity during high-volume renewal cycles

Issues Addressed in LB&A Subcommittee

Fee setting

- Continued to work with boards to chip away at historical deficits
- Professional Licensing ended FY14 in a surplus position for the first time in several years
- Discussed conditions created by current statutory language:
 - Fee spikes created by unanticipated investigations or appeals of board decisions
 - Indirect expenses inflate cost of licensure
 - The majority of revenue is collected every other year, forcing programs to operate in deficit unless extremely high fees are collected

FY	Bill	Profession
FY2011	SB292	Pawnbrokers
FY2015	HB160	Athletic Trainers
	HB328	Massage Therapists
	HB361	Behavior Analysts



Questions?

