

# Fiscal Note

State of Alaska  
2015 Legislative Session

Bill Version: HB 9  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB009-DCCED-CBPL-02-06-15  
Title: PRIVATE INVESTIGATORS/AGENCIES  
Sponsor: HUGHES  
Requester: (H) LABOR & COMMERCE

Department: Department of Commerce, Community and  
Economic Development  
Appropriation: Corporations, Business and Professional  
Licensing  
Allocation: Corporations, Business and Professional  
Licensing  
OMB Component Number: 2360

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2016 Appropriation Requested	Included in Governor's FY2016 Request	Out-Year Cost Estimates				
			FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<b>OPERATING EXPENDITURES</b>	<b>FY 2016</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Personal Services	159.3		159.3	159.3	159.3	159.3	159.3
Travel	11.0		11.0	11.0	11.0	11.0	11.0
Services	42.8		24.1	24.1	24.1	24.1	24.1
Commodities	10.1		0.1	0.1	0.1	0.1	0.1
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>223.2</b>	<b>0.0</b>	<b>194.5</b>	<b>194.5</b>	<b>194.5</b>	<b>194.5</b>	<b>194.5</b>

## Fund Source (Operating Only)

1156 Rcpt Svcs	223.2		194.5	194.5	194.5	194.5	194.5
<b>Total</b>	<b>223.2</b>	<b>0.0</b>	<b>194.5</b>	<b>194.5</b>	<b>194.5</b>	<b>194.5</b>	<b>194.5</b>

## Positions

Full-time	1.0		1.0	1.0	1.0	1.0	1.0
Part-time	1.0		1.0	1.0	1.0	1.0	1.0
Temporary							

<b>Change in Revenues</b>	223.2		194.5	194.5	194.5	194.5	194.5
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**Estimated SUPPLEMENTAL (FY2015) cost:** 0.0 (separate supplemental appropriation required)  
(discuss reasons and fund source(s) in analysis section)

**Estimated CAPITAL (FY2016) cost:** 0.0 (separate capital appropriation required)  
(discuss reasons and fund source(s) in analysis section)

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes  
If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/16

## Why this fiscal note differs from previous version:

Not applicable, initial version.

Prepared By: <u>Sara Chambers, Director</u>	Phone: <u>(907)465-2538</u>
Division: <u>Corporations, Business, and Professional Licensing</u>	Date: <u>02/06/2015 09:54 AM</u>
Approved By: <u>Catherine Reardon, Director</u>	Date: <u>02/06/15</u>
Agency: <u>Division of Administrative Services</u>	

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2015 LEGISLATIVE SESSION

BILL NO. HB009

### Analysis

HB9 requires licensure of individuals and agencies that practice private investigation. It establishes the scope of practice for licensees, license types, licensure requirements and exemptions, unlawful acts, and transitional language for program implementation. This will add a new professional licensing program to the 43 existing within the Department of Commerce, Community and Economic Development for the professional licensing of Private Investigators and Agencies.

The addition of this program requires startup expenses to configure the professional licensing database, develop and implement regulations, purchase supplies, and establish program procedures. This fiscal note requests one part-time permanent Occupational Licensing Examiner to assist in developing and maintaining regulations and procedures, administering examinations, and examining license applications. In addition, this fiscal note requests one full-time permanent Investigator III to meet the requirements enumerated in the legislation, which requires the agency to investigate every applicant and vet their references prior to licensing.

Costs for establishing and maintaining the new license program are based on existing programs of similar size. If the bill passes, the following expenses will be incurred:

Personal Services: \$159.3 (one part-time permanent Occupational Licensing Examiner (OLE), range 13, and one full-time permanent Investigator III, range 18)

Travel: \$11.0 (offsite investigations)

Services: \$9.4 (one time IT costs to incorporate the new licensing program into the professional licensing database)

\$11.0 in first year and \$1.7 in out years (legal support services related to new program)

\$0.8 (fingerprinting)

\$0.3 (hearing and mediation services beginning in year two)

\$0.3 (advertising public notices of regulations)

\$0.9 (printing, postage and mailing costs)

\$0.1 (credit card fees)

\$20.0 (department-wide services support)

Commodities: \$10.1 in first year and \$ .1 in out years (business supplies)

Regulations are required to govern the program under AS 08.85 so that the department may set fees under AS 08.01.065.

Professional licensing programs within the Division of Corporations, Business and Professional Licensing are funded by Receipt Supported Services, fund source 1156 Rcpt Svcs (DGF). Licensing fees for each occupation are set per AS 08.01.065 so the total amount of revenue collected approximately equals the occupation's actual regulatory costs.

In addition to the above costs, the program would incur direct expenses for actual time-on-task by one or more paralegals, regulations specialists, and supervisory managers. They would also incur indirect expenses for administrative support such as accounting, payroll, risk management, human resources, network services, and building leases. Although increased authorization is not needed for most of these costs, this program's allocation of the division's total indirect costs will be considered as part of the program's expenses during the biennial review of licensing fees.

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2015 LEGISLATIVE SESSION

BILL NO. HB009

Analysis Continued

Estimated Program Expenses and License Fees									
Bill Number: HB009				Title: PRIVATE INVESTIGATORS/AGENCIES					
Date Updated: 2/06/2015									
<b>Personal Services</b>									
Classification	Rng	Steps	Months	FY16	FY17	FY18	FY19	FY20	FY21
Investigator III (PFT)	18	A	12	93.7	93.7	93.7	93.7	93.7	93.7
Occupational Licensing Examiner (PPT)	13	A	12	65.6	65.6	65.6	65.6	65.6	65.6
Other if necessary (please explain)									
PCN Count: 2				<b>Personal Services Total</b>	<b>159.3</b>	<b>159.3</b>	<b>159.3</b>	<b>159.3</b>	<b>159.3</b>
<b>Travel</b>									
Trip (Home > Destination)	\$	#	Purpose	FY16	FY17	FY18	FY19	FY20	FY21
Offsite Investigation	2.3	5	Investigations	11.0	11.0	11.0	11.0	11.0	11.0
Other if necessary (please explain)									
Total Trips: 0				<b>Travel Total</b>	<b>11.0</b>	<b>11.0</b>	<b>11.0</b>	<b>11.0</b>	<b>11.0</b>
<b>Contractual Services</b>				<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>
IT - one time				9.4					
Legal				11.0	1.7	1.7	1.7	1.7	1.7
Fingerprinting Est based on similar program				0.8	0.8	0.8	0.8	0.8	0.8
Hearing/Mediation				0.3	0.3	0.3	0.3	0.3	0.3
Advertising				0.3	0.3	0.3	0.3	0.3	0.3
Printing				0.3	0.3	0.3	0.3	0.3	0.3
Postage				0.3	0.3	0.3	0.3	0.3	0.3
Mail				0.3	0.3	0.3	0.3	0.3	0.3
Accounting/Auditing (Credit Card Fees)				0.1	0.1	0.1	0.1	0.1	0.1
Statewide Core Services & Allocated Costs				20.0	20.0	20.0	20.0	20.0	20.0
<b>Contractual Total</b>				<b>42.8</b>	<b>24.1</b>	<b>24.1</b>	<b>24.1</b>	<b>24.1</b>	<b>24.1</b>
<b>Supplies</b>				<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>
New Position Start Up *2				10.0					
Supplies				0.1	0.1	0.1	0.1	0.1	0.1
<b>Supplies Total</b>				<b>10.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
<b>SUMMARY</b>				<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>
<b>Personal Services</b>	2	Positions		159.3	159.3	159.3	159.3	159.3	159.3
<b>Travel</b>	5	Trips		11.0	11.0	11.0	11.0	11.0	11.0
<b>Contractual Services</b>				42.8	24.1	24.1	24.1	24.1	24.1
<b>Supplies</b>				10.1	0.1	0.1	0.1	0.1	0.1
<b>Direct Total</b>				<b>223.2</b>	<b>194.5</b>	<b>194.5</b>	<b>194.5</b>	<b>194.5</b>	<b>194.5</b>
<b>Indirect Total</b>				<b>7.3</b>	<b>7.3</b>	<b>7.3</b>	<b>7.3</b>	<b>7.3</b>	<b>7.3</b>
<b>Grand Total</b>				<b>230.5</b>	<b>201.8</b>	<b>201.8</b>	<b>201.8</b>	<b>201.8</b>	<b>201.8</b>
Total New PFT Positions				1	1	1	1	1	1
Total New PPT Positions				1	1	1	1	1	1
Total New Temp (LTNP) Positions				-	-	-	-	-	-
<p><b>Estimated license fee for Private Investigators/Agencies is \$2,900.00</b>  <b>Calculation based on FY16-FY17 biennium expense divided by estimated licensees of 150</b></p>									