



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT

Division of Corporations, Business and Professional Licensing Overview presented to House Finance Sub-Committee

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Division Overview

Mission: Ensure that competent, professional and regulated commercial services are available to Alaska consumers.

- 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 Sub-Committee

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 Sub-Committee

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 Sub-Committee

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



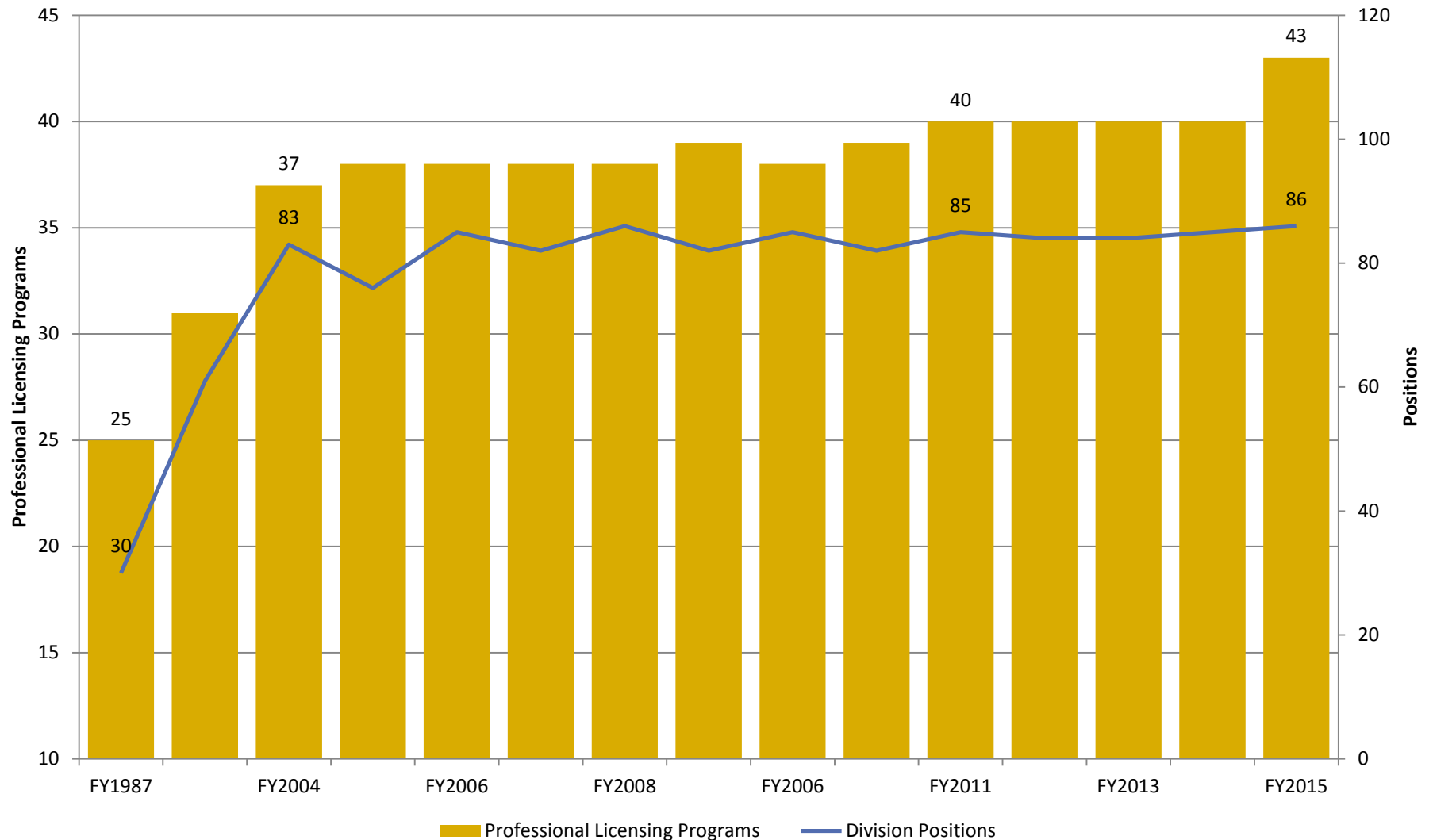
Issues Addressed in LB&A Sub-Committee

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



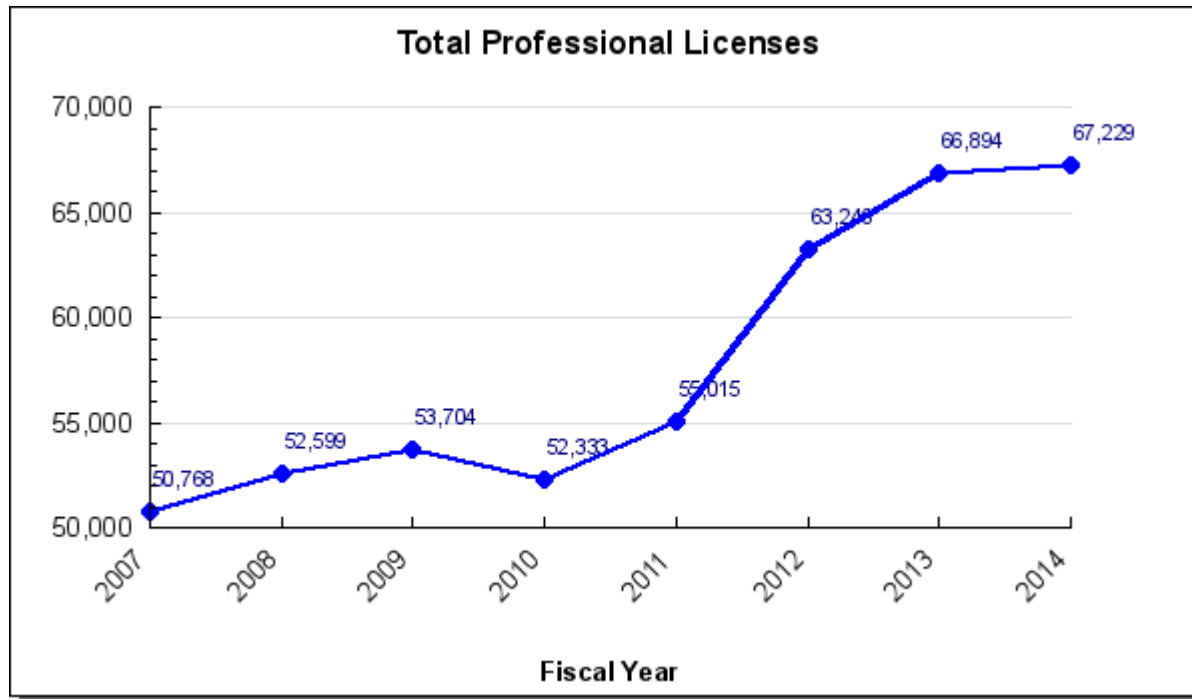
Division Lookback – Program Growth





Performance Details

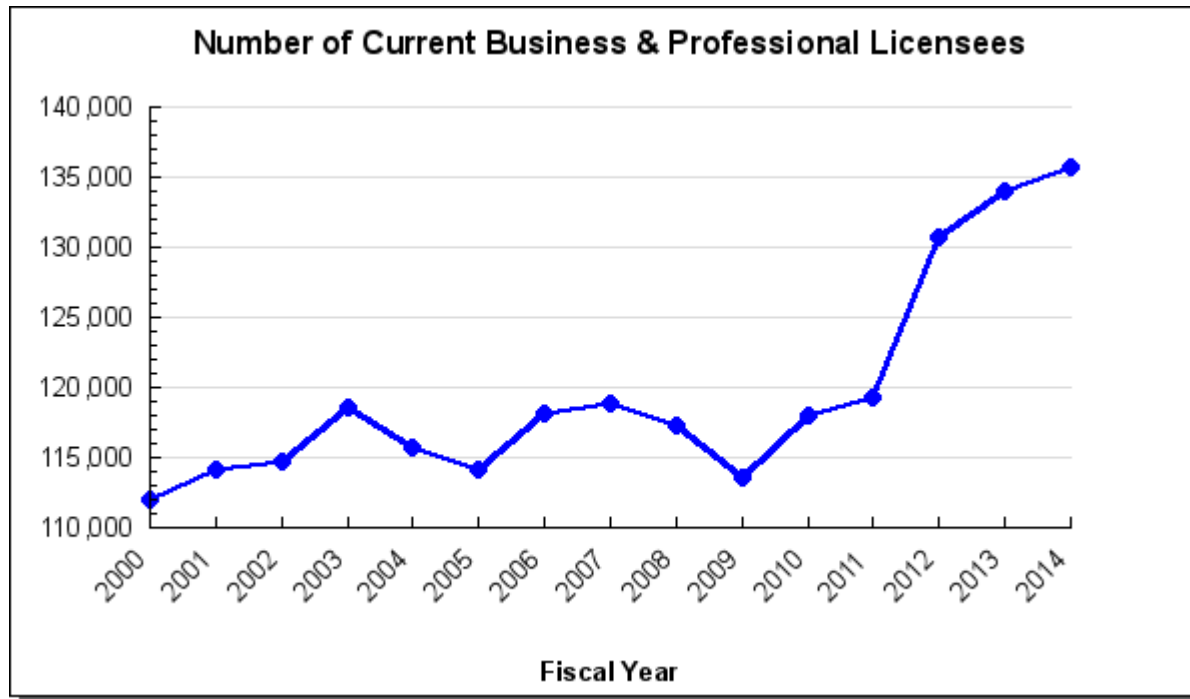
Target: Professional services are available to the public and have competent, qualified licensees.





Performance Details

Target: Manage licensure of Alaska businesses and professionals.





Division Budget

	FY2015 Management Plan	FY2016 Governor	Change
Personal Services	7,171.3	7,313.7	142.4
Travel	658.7	677.1	18.4
Services	4,377	4,152.2	-224.8
Commodities	110.4	110.4	-
Capital Outlay	137.4	137.4	-
Total Budget	\$12,454.8	\$12,390.8	-\$64.0
1002 Federal (Fed)	90.0	0.0	-90.0
1005 GF Program (DGF)	1,953.8	1,962.6	8.8
1007 I/A Receipts (Other)	254.5	254.5	-
1040 Surety Fund (DGF)	288.6	290.9	2.3
1108 Stat Desig	20.0	50.0	30.0
1156 Rcpt Svcs (DGF)	9,847.9	9,832.8	-15.1
Positions	86	86	-



Questions?