



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community,
and Economic Development

DIVISION OF ADMINISTRATIVE SERVICES

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April 3, 2024

The Honorable Representative DeLena Johnson
The Honorable Representative Bryce Edgmon
The Honorable Representative Neal Foster
Alaska House of Representatives
Alaska State Capitol
Juneau, Alaska 99801-1182

Dear Representatives:

This letter is in response to questions raised in the March 1, 2024, meeting of the House Finance Committee for the Department of Commerce, Community and Economic Development. At the meeting, the department presented the proposed FY2025 operating budget.

How does the State know how many people are buying cryptocurrencies, and what data sources are available related to cryptocurrency activity?

The Division of Banking and Securities is able to access reports on cryptocurrency sales that have been self-reported to the National Multistate Licensing System (NMLS) by certain regulated businesses. The reports are required through NMLS policy and the statutes of other states. As of the 2024 Quarter 4 Money Service Businesses Call Report filing submitted on February 15, 2024, 560,856 cryptocurrency transactions were completed in the state, totaling \$210,456,539.00.

What banks and credit unions are chartered in the state?

Alaska has four state-chartered banks and one state-chartered credit union.

Banks

Denali State Bank
First Bank
Mt. McKinley Bank
Northrim Bank

Credit Union

Credit Union One

What is the projected fund balance of the Community Assistance Fund after the requested FY2025 appropriation?

The projected balance of the Community Assistance Fund at the end of FY2024 is approximately \$59,993,038. The current projected statutory distribution at the beginning of FY2025 would be approximately \$19,997,679, which would bring the fund balance to approximately \$39,995,359. The \$30,000,000 capitalization in the Governor's proposed budget would be deposited into the fund in FY2025 and would bring the fund balance to approximately \$69,995,359 at the end of FY2025. The statutory distribution at the start of FY2026 would be approximately \$23,331,786.

How is the formula methodology for Community Assistance determined for communities?

The formula for the annual Community Assistance Program distribution is established in Alaska Statute 29.6.850-879. This formula includes two components: a base payment to each municipality, each incorporated community, and each unincorporated community within a borough; and a per-capita payment based on the certified population for each of those communities. Eligible communities must apply for the grant program each year, and the number of participating communities varies each year. In a typical year, the base payments for communities sum to approximately \$20 million. Per capita payments are then calculated by dividing the total population count for eligible communities by the remaining available funding after base payments are paid. As an illustration, if \$30 million was available for distribution using the FY2024 communities and population counts, \$19.2 million would go to base payments and \$10.8 million would be distributed as per capita payments. Based on the FY2024 total population count for eligible communities, with a \$30 million total distribution communities would receive \$12.93 per individual in their community.

The Community Assistance Program does not have a required statutory deposit, though there is a statutory minimum fund balance of \$15 million, after which distributions can no longer be made. In recent years the Legislature has capitalized the fund and/or provided appropriations outside the fund to maintain annual distributions of approximately \$30 million.

How are federal funds in the Serve Alaska component used?

Serve Alaska receives federal funding and acts as the pass-through entity for funds from the federal agency, AmeriCorps. Serve Alaska then provides grants to local non-profits, state and local governments, and faith-based organizations to implement AmeriCorps programming across the state. Serve Alaska has used funds from AmeriCorps to support volunteer recognition events across the state and to provide professional development for staff at organizations that utilize volunteers.

Provide statement of costs for Executive Orders related to Corporations, Business, and Professional Licensing boards.

Information on the projected costs to the department related to Executive Orders 127, 129, and 130 are enclosed.

How many positions are in the Alaska Oil and Gas Conservation Commission to work on carbon sequestration?

Two full-time positions were added in FY2024 budget in the fiscal note for SB48 Carbon Offset Program on State Land. These positions are also in the FY2025 budget.

Please provide information on professional licensing wait times by program area.

The Division of Corporations, Business, and Professional Licensing (CBPL) regulates 45 programs that encompass a total of 125 professions. A program is a professional area; for example, the Dental program licenses dentists, specialty dentists, dental hygienists, etc.

The licensing process for these programs begins with an application. A license is considered in-process from the time the division receives the application and fees until all legally required materials are received. Many required materials must be received directly from another entity. For example, transcripts that must be received directly from the school, and verification of licensure in another state must be sent to the division directly from that state not from the applicant. For a profession that is not regulated by a board, the license is issued after all materials are received, reviewed, and approved by the division.

The approval process for the 21 programs with boards can take be longer. Completed application packets are forwarded from the division to the licensing board for approval. These boards are made up of volunteer members who are charged with regulating the licensing programs. Approval of an application packet typically takes two weeks as board members review the packet and then vote in the secure online system. More time may be needed if the board was unable to reach quorum approval within those two weeks. Some programs also require examinations for new graduates; some of those examinations may not be taken until an application has been initiated.

Some applications included in the department's in-process count may not ultimately be completed. For most programs, applicants must be completely non-responsive for 12 months before their application may be marked "abandoned". Marking an application as abandoned is a manual process that is completed as staff have time available; for some high-volume programs like nurse licensing, some applications may meet the criteria to be marked as abandoned but have not yet been removed from the in-process count. As a result, the in-process numbers included below are higher than the number that will ultimately be licensed because they include applications for individuals who may not complete the licensing process but have not notified the division to withdraw their application.

Currently the fastest processing time for professions is within one to two weeks. This is because it can take several days for mail to be opened and scanned into the licensing system and for fees to be collected, especially if documents are received during a period of high volume as occurs during renewal periods, continuing education audits, or around graduation times. Initial licensing for all programs can be completed fully electronically, but the department is still working to make online renewal licensing available for all 125 professions. More complicated programs such as medical and pharmacy can take longer to process, as do the highest volume programs like nursing and construction-related licenses.

The number of licensees in each program as of the end of FY2019 through FY2023 in the FY2023 Professional Licensing Statistics Report, available at: www.commerce.alaska.gov/web/cbpl/DivisionReports

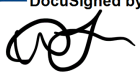
The information provided below is a snapshot of current processing time per licensing program as of March 13, 2024. The division has more than 40 Occupational Licensing Examiners continuously processing applications and people are continuously applying for licensure. As a result, the license counts and processing times vary daily.

Professional Licensing Programs	In-Process Applications as of March 13, 2024	Processing Times as of March 13, 2024
Acupuncture	2	1-2 weeks
Architects, Engineers, and Land Surveyors	153	1-2 weeks
Athletic Trainers	1	1-2 weeks
Audiologists and Hearing Aid Dealers	1	1-2 weeks
Barbers and Hairdressers	210	1-2 weeks
Behavior Analysts	6	1-2 weeks
Big Game Guides and Transporters	43	2-3 weeks
Chiropractic	5	2-3 weeks
Collection Agencies	10	2-3 weeks
Concert Promoters	0	1-2 weeks
Construction Contractors	149	3-4 weeks
Dental	34	1-2 weeks
Dietitians	6	3-4 weeks
Direct Entry Midwives	2	1-2 weeks
Dispensing Opticians	4	1-2 weeks
Electrical Administrators	57	5-7 weeks
Euthanasia of Domestic Animals	0	1-2 weeks
Geology	0	1-2 weeks
Guardians and Conservators	3	1-2 weeks
Home Inspectors	3	2-3 weeks
Marine Pilots	13	2-3 weeks
Marital and Family Therapy	5	1-2 weeks
Massage Therapists	17	1-2 weeks
Mechanical Administrators	34	5-7 weeks
Medical	227	2-3 weeks
Mortuary Science	4	2-3 weeks
Naturopath	0	1-2 weeks
Nurse Aides	500	1-2 weeks
Nursing	2,186	4-6 weeks
Nursing Home Administrators	1	1-2 weeks
Nutritionists	0	1-2 weeks
Optometry	3	1-2 weeks
Pawnbroker	6	1-2 weeks
Pharmacy	380	2-3 weeks
Physical and Occupational Therapy	53	1-2 weeks
Physician Assistants	38	3-4 weeks
Professional Counselors	68	2-3 weeks
Psychology	17	1-2 weeks
Public Accountancy	19	1-2 weeks

Professional Licensing Programs	In-Process Applications as of March 13, 2024	Processing Times as of March 13, 2024
Real Estate	28	2-3 weeks
Real Estate Appraisers	8	1-2 weeks
Social Workers	124	2-3 weeks
Speech-Language Pathology	15	1-2 weeks
Telemedicine Business Registry	18	1-2 weeks
Underground Storage Tank Workers	4	1-2 weeks
Veterinary	45	1-2 weeks

Thank you for the opportunity to provide additional information to the Committee.

Sincerely,

DocuSigned by:

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Hannah Lager
Administrative Services Director

Enclosures:

EO 127 DCCED Statement of Cost.pdf
EO 129 DCCED Statement of Cost.pdf
EO 130 DCCED Statement of Cost.pdf