



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

**DEPARTMENT OF COMMERCE, COMMUNITY AND
ECONOMIC DEVELOPMENT
Division of Corporations, Business and
Professional Licensing**

House Finance Subcommittee

Sara Chambers, Division Director
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FY2021 by the Numbers

Professional licensing

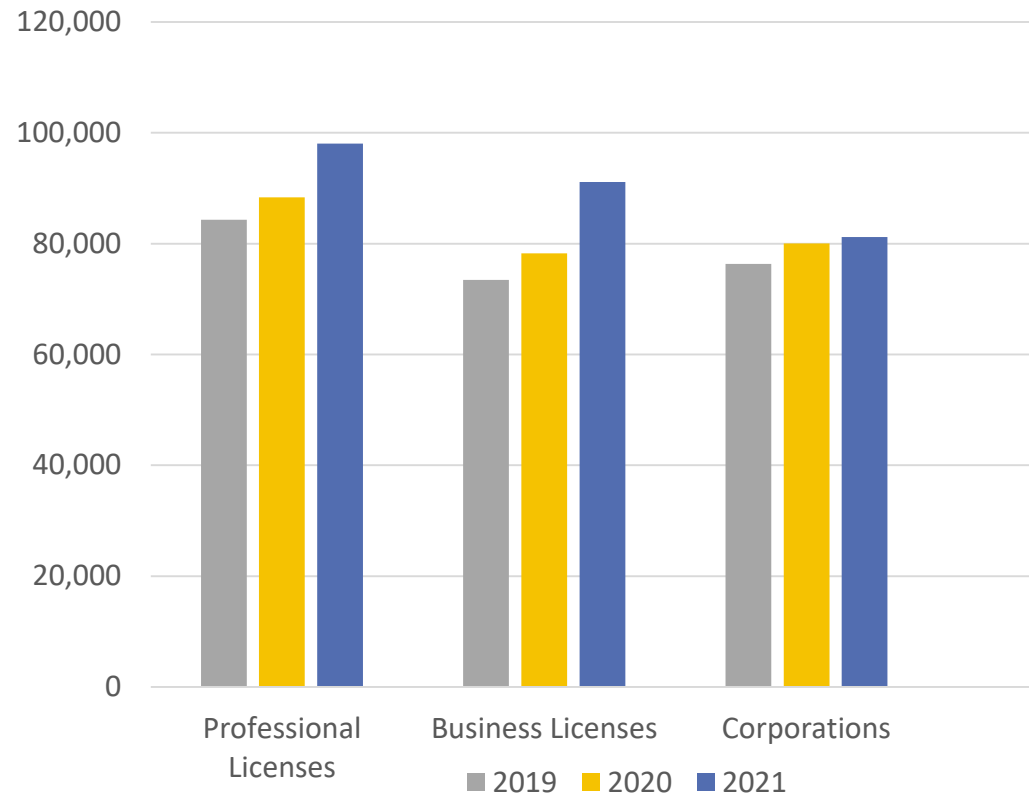
- 43 programs, including 21 boards
- 98,068 professional licenses
- 9.67% increase in FY21

Business licensing

- 91,114 business licenses
- 1497 nicotine endorsements
- 16.4% increase in FY21

Corporations

- 81,187 registered corporations





COVID-19 Impacts

Dramatic increase in demand

- 17% increase in nurse licensure in FY2021
- Up to 31% increase in health care program licenses
- Nine new license types implemented in regulation
- 15% increase in professional licensing documentation submissions
- Additional learning and guidance on COVID mitigation
- Exponential increase in board meetings and educational outreach

Dramatic decrease in personnel

- “The Great Resignation” – *Harvard Business Review*
- 30% vacancy on staff for most of 2020-2021
- 55% turnover in professional licensing staff
- Additional absences due to COVID, school and child care closures, etc.



Stop-gap solutions and long-term strategy

New workflow processes implemented

- Customer Service Center
- Non-permanent administrative help
- Additional examiner for nurse licensing
- Consolidation of real estate programs on one team
- Shift of assignments among staff to balance workload
- Successful implementation of telework

In-process improvements

- Updated technology and automation to ease workflow and customer communication
- Restructure of professional licensing teams for greater support
- Ongoing review and streamlining of burdensome board regulations



Right-touch regulation

Ensuring professions are regulated with an appropriate balance between public protection and economic opportunity.

Curriculum developed in 2019 and delivered to CBPL boards

Regulation should be:

- Transparent
- Balanced
- Reasonable
- Responsive
- Within our allocated resources



Professional licensing revenue

Fee-setting process

- AS 08.01.065 requires fees to be set so revenues approximately equal expenditures for each board/program
- Expenditures include administration, regulations, board support, technology, enforcement
- Annual detailed fee analyses comprise all types of revenue transactions

Examples:

- Application fees
- Various types of licenses and permits
- Additional endorsements to licenses
- Continuing education course approvals
- Division sets fees through public regulations process after consultation with the board



Professional licensing revenue

Board of Professional Counselors (PCO)

Current fee schedule				Proposed by board				Proposed by division			
Fee Type	Current Fee	Projected Units	Projected Revenue	Fee Adjustment	Fee with Recommended Adjustment	Projected Revenue after Adjustment	% Change	Fee Adjustment	Fee with Recommended Adjustment	Projected Revenue after Adjustment	% Change
Initial Application Fee for License	200	157	\$ 31,400		\$ 200	\$ 31,400	0%	120	\$ 320	\$ 50,240	60%
New Professional Counselor	250	157	39,250		250	39,250	0%	110	360	56,520	44%
Renewed Professional Counselor	250	846	211,500		250	211,500	0%	110	360	304,560	44%
Application fee Board-Approved Supervisor (1x)	200	75	15,000		200	15,000	0%		200	15,000	0%
New Approved Counselor Supervisor (1x)	150	75	11,250		150	11,250	0%	10	160	12,000	7%
Centralized Fees	3,038	1	3,038		3,038	3,038			3,038	3,038	
			\$ 311,438			\$ 311,438				\$ 441,358	
CALCULATIONS BASED ON CURRENT FEES						CALCULATIONS BASED ON BOARD'S PROPOSAL					
Revenues and Expenditures	FY2017/2018 Actuals	FY2019/FY2020 Actuals	Projected FY2021/2022	Projected FY2023/2024	Projected FY2025/2026	FY2019/FY2020 Actuals	Projected FY2021/2022	Projected FY2023/2024	Projected FY2025/2026		
Revenue	431,136	303,767	311,438	311,438	311,438	303,767	311,438	311,438	311,438		
Expenses	(250,541)	(407,162)				(407,162)					
Adjustments											
Expenses adjusted for 2% biennial increase			(407,162)	(415,305)	(423,611)		(407,162)	(415,305)	(423,611)		
Fee adjustment for pro-rated renewal			(14,400)	(14,400)	(14,400)		(14,400)	(14,400)	(14,400)		
Projected Net		(103,395)	(110,124)	(118,268)	(126,574)	(103,395)	(110,124)	(118,268)	(126,574)		
Beginning Cumulative Surplus (Deficit)		275,701	172,306	62,182	(56,086)	275,701	172,306	62,182	(56,086)		
Ending Cumulative Surplus (Deficit)		172,306	62,182	(56,086)	(182,660)	172,306	62,182	(56,086)	(182,660)		



Professional licensing revenue

Fund sources

- Receipt Supported Services (RSS)
 - Primary fund source
 - Program expenses recovered through licensing fees
- Other sources
 - Federal pass-through grants for nurse aides, PDMP
 - Inter-agency agreements for cooperative services
 - Third-party reimbursements for training and travel



Professional licensing revenue

Fund sources: General Fund (GF) supplemental

- History
 - Received in FY2021 and FY2022
 - GF request to offset potential fee increases for 14 programs
 - Allocation based on analysis and projection of revenue and expense
- Purpose of GF supplemental
 - Reduce pressure on Alaska licensees
 - Shared responsibility for regulation of professions
 - Temporary solution as policy is crafted



DCCED Commissioner's Office

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