

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSHB 93(L&C)
 (H) Publish Date: 1/20/06

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
 Title Dentists and Dental Hygienists RDU Corp, Bus & Prof Licenses (117)
 Component Corp, Bus & Prof Licensing
 Sponsor Anderson
 Requester Labor and Commerce Component No. 2360

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services	131.1	131.1	131.1	131.1	131.1	131.1
Travel	6.0	6.0	6.0	6.0	6.0	6.0
Contractual	62.4	62.4	62.4	62.4	62.4	62.4
Supplies	1.0	1.0	1.0	1.0	1.0	1.0
Equipment	12.0					
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	212.5	200.5	200.5	200.5	200.5	200.5

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (1156)	212.5	200.5	200.5	200.5	200.5	200.5
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1156 Receipt Supported Services	212.5	200.5	200.5	200.5	200.5	200.5
TOTAL	212.5	200.5	200.5	200.5	200.5	200.5

Estimate of any current year (FY2006) cost: \$154.3

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time	2	2	2	2	2	2
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

HB 93 provides the Board of Dental Examiners significant authority to conduct its licensing functions independently. The bill authorizes the Board to establish its own procedures for conduct of investigations, hearings, and to employ or contract legal, investigative and administrative services.

Currently, administrative, budgetary, technical and investigative support are provided by the Division of Corporations, Business and Professional and Licensing under AS 08.01, Centralized Licensing. The Board does not have its own budget appropriation structure. Given the new authority in the bill to employ or contract services, the division anticipates staffing support from the division to cease unless otherwise requested by the Board. The costs above are explained on the following pages.

Prepared by: Jennifer Strickler, Chief Phone (907) 465-2144
 Division: Corporations and Licensing Date/Time 1/17/06 3:40 PM
 Approved by: William C. Noll, Commissioner Date 1/17/2006
 Agency: Commerce, Community and Economic Development

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ANALYSIS CONTINUATION

Personal Services: \$131.1

This funding provides for the following positions -

- 1 - Occupational Licensing Examiner, PFT, GGU, Range 13B - \$57.5
- 1 - Investigator III, PFT, GGU, Range 18A - \$73.6

Currently, the Board receives support from these positions in the Division of Corporations and Licensing. The services provided are charged to the board based on positive timekeeping, making the Board responsible only for services it actually receives. The new Board authority to employ services directly will require its own dedicated positions through the State system.

*In FY05, the Board spent \$78.2 on direct personal services; which is anticipated to be replaced by the new costs above.

(Indirect costs for clerical support, accounting, management, etc. are not new costs and therefore not included in this fiscal note. In FY05, the personal services indirect cost to the Dental Board totaled \$28.9 and is expected to continue.)

Travel: \$6.0

This funding is based on the cost of one additional meeting for the Board, whether the funding is used by the Board to hold one extra meeting for a disciplinary hearing in person as required by Section 9 of the bill; or whether this funding is to be used by the peer review or disciplinary committee.

*In FY05, the Board spent \$13.5 on travel. This funding is expected to continue with the addition of \$6.0 new costs.

(Indirect FY05 travel costs totaled \$0.4. This cost is not new and therefore not included in this fiscal note but is expected to continue.)

Contractual Services: \$62.4

This funding assumes that at least the same level of legal services used in FY05 will continue. However, the Board's new authority to contract or employ legal services could raise this cost rapidly and significantly. The Division currently operates under agreement with the Department of Law to obtain legal services for all licensing programs. The programs are then charged back based on actual attorney time. The new authority provided in the bill allows the Board to contract or employ services directly, and the Board will need to do so in accordance with State procurement requirements.

*In FY05, the Board spent \$62.4 on contractual services. It assumes the activity of the peer review and disciplinary committees will generate need for additional legal services, resulting in costs remaining high.

(Indirect FY05 contractual services costs totaled \$25.2. This cost is not new and therefore not included in this fiscal note but is expected to continue.)

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ANALYSIS CONTINUATION

Supplies: \$1.0

Provides funding for general operating supplies of the two new positions.

(Indirect FY05 supplies cost \$1.8. This cost is not new and therefore not included in this fiscal note but is expected to continue.)

Equipment: \$12.0 (one-time costs)

Provides funding for equipment and space needs of the two new positions.

New Costs resulting from HB93:	\$212.5
Existing Direct Cost in FY05:	\$154.3
Indirect Costs in FY05:	<u>\$56.3</u>
TOTAL Costs:	\$423.1

(For comparison purposes, FY05 Direct and Indirect Costs for the Board of Dental Examiners totaled \$210.6. The independent authority to contract and employ services provided in FY05 anticipates an increase of \$212.5).

Note: If the Board of Dental Examiners remains in Centralized Licensing (AS 08.01.010(13)) indirect costs will apply resulting from the self sufficiency mandate of AS 08.01.065. If the Board is removed from AS 08.01 and made autonomous, other costs will apply.

**The current Board cost under the present organizational structure is \$210.6, and is included in the Governor's FY06 operating budget.