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502

BILL SHEFFIELD
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 13, 1984

The Honorable Jalmar Kerttula
Alaska State Senate
Pouch V
Juneau, AK 99811


Dear Senator Kerttula:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that will authorize the Department of Commerce and Economic Development to establish occupational licensing fees by regulation, and that amends accordingly the various statutory provisions in AS 08 that now set these fees. This change will result in greater flexibility and ease of fee adjustment to accommodate inflation and other fluctuations in the costs of implementing the various licensing statutes. Currently, many Alaska licensing fees are low compared to those of other states, and revisions are necessary. This bill will enable the department to make the appropriate adjustments without unduly burdening the legislature with the task.

The second and third sections of the bill authorize the department to set the fees and penalties by regulation to reflect costs, after consulting with the appropriate licensing board. Most of the remaining sections of the bill delete the current statutory fees and make other appropriate changes to statutes in the chapters concerning the various occupations affected.

I request your support for this bill which will greatly increase the efficiency and reduce the net cost of our occupational licensing programs.

Sincerely,


Bill Sheffield
Governor

Summary

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: SB502
 Title: "An Act relating to occupational licensing fees"
 Sponsor: Rules Committee
 Requestor: Governor
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Commerce and Economic Dev. Protection
 Program Category Affected: Public
 BRU, Program or Subprogram(s) Affected: Division of Occupational Licensing

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES		0				
200 TRAVEL		19.4				
300 CONTRACTUAL		13.0				
400 SUPPLIES		0				
500 EQUIPMENT		0				
600 LAND & STRUCTURES		0				
700 GRANTS, CLAIMS		0				
800 MISCELLANEOUS		0				
TOTAL OPERATING	0	32.4	0	0	0	0
CAPITAL						
REVENUE	0	0	325.0	347.8	372.1	398.1

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	32.4	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL	0	32.4	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

Required funding would have to be provided in the FY 85 department operating budget.

ANALYSIS: Attach a separate page for analysis

Prepared By: *Darrell Miller*
 Division: Occupational Licensing

Phone: 465-2535
 Date: February 10, 1984

Approved by Commissioner: RICHARD A LYON
 Agency: Commerce and Economic Development

Date: 2/10/84

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

Fiscal Note

LICENSING FEE'S PROPOSED LEGISLATION:

Projected Revenue

The current revenue from all licensing fees collected from the various professions under the Centralized Licensing Act is approximately \$325,000 less than the annual division operating budget.

In order to equalize the operating budget with revenue, it will be necessary to revise existing licensing fee structures to provide the additional revenue required.

The initial projection is to increase the license fees of various professions and licensure categories to off-set the deficit for FY '86 and project an annual increase of 7% for inflation factors, as provided for in the FY '85 budget instructions.

No revenue is projected for FY '85 as it is anticipated that it would require the majority of the fiscal year to implement all the necessary license fee changes.

The projected revenue increase would be as follows:

FY '86	\$325,000
FY '87	\$347,800
FY '88	\$372,100
FY '89	\$398,100

FISCAL IMPACT Licensing Fee's proposed legislation:

200 Travel

One staff person to meet and consult with individual boards before public hearings are conducted and again after the public hearings are concluded on the proposed fee structures. It is anticipated that one-third of the board meetings be held in Anchorage, one-third in Fairbanks and the remaining one third in Juneau. Travel expenses would be incurred for Anchorage and Fairbanks only.

12 trips to Anchorage - 2 days each (6 boards)
Transportation: 1 person @ \$375.00 each X 12 = \$ 4,500.00

Per Diem: 24 days @ \$80.00 per day = \$ 1,920.00

12 trips to Fairbanks - 2 days each (6 boards)
Transportation: 1 person @ \$470 each X 12 = \$ 5,640.00
Per Diem: 24 days @ \$90.00 per day = \$ 2,160.00

1 staff to conduct regulation hearings in Anchorage and Fairbanks on license fee structure; 4 trips

2 trips to Anchorage - 6 days each
Transportation: 1 person @ \$375.00 X 2 = \$ 750.00
Per Diem: 12 days @ \$80.00 = \$ 960.00

2 trips to Fairbanks 6 days each
Transportation: 1 person @ \$470.00 X 2 = \$ 940.00
Per Diem: 12 days @ \$90.00 = \$ 1,080.00

Miscellaneous expenses: Taxi, Baggage handling, ect: 1 person estimated to average \$50.00 per trip: \$50.00 X 28 trips = \$ 1,400.00

Total: \$19,350.00

300 CONTRACTUAL

Rental charges for meeting rooms for holding public hearings on license fee settings: 20 days of public hearings @ \$200.00 per day = \$ 4,000.00

Printing of materials, Statute and Regulation booklets (estimated costs) \$ 8,000.00

Advertising: required state-wide advertising of public notices of regulation hearings on proposed license fee structures (estimated costs) \$ 1,000.00

Total \$13,000.00

400 COMMODITIES

0

GRAND TOTAL: \$32,350.00

SB 502 TITLE & SPONSOR SUMMARY

14:35 5/22/84 PAGE 1 OF 2

AMENDED TITLE:

AN ACT RELATING TO OCCUPATIONAL LICENSING FEES, AND PROVIDING FOR AN EFFECTIVE DATE

PRIME SPONSOR: SENATE RULES COMMITTEE.

CO-SPONSORS:

CURRENT STATUS: 2/14/84 IN (S) LABOR & CON REFERRAL: FINANCE

SB 502 SENATE ACTION

14:36 5/22/84 PAGE 2 OF 2

DATE SEQ PAGE

LEGISLATIVE ACTION

02/14/84	01	2088
02/14/84	02	2088
02/14/84	03	2088

FIRST READING --- COMMITTEE REPORTS
 F/NOTE SEN SUPPL #53
 GOV TRANSMITTAL LETTER
 LABOR & COMMERCE
 FINANCE
 RULES

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ANALYSIS OF DIVISION OF OCCUPATIONAL LICENSING
DIRECT SUPPORT TO LICENSING AREAS FOR FISCAL YEAR 1983

Board	Personal Services ^{1.}	Travel Per Diem	Contractual	Commodities	Total *	Number of Active Licensees on 6/30/83	FY '83 Revenues
Athletic Commission	951.55	-0-	107.65	-0-	1,059.18	45	610.00
AELS	29,269.51	19,021.86	31,295.24	613.00	80,199.61	3679	85,195.00
Barbers & Hairdressers	22,202.48	7,659.54	7,500.06	-0-	37,362.08	2541	122,375.00
Chiropractors	3,023.31	12,890.89	1,543.80	-0-	17,458.00	89	5,510.00
Collection Agencies	5,003.91	-0-	78.70	-0-	5,082.61	59	4,920.00
Concert Promoters	302.34	-0-	8.50	-0-	310.84	19	6,295.00
Contractors	22,572.53	-0-	4,228.19	-0-	26,600.72	6911	361,640.50
Dental Board	13,604.92	12,823.90	41,546.90	101.94	68,077.66	619	24,726.35
Dispensing Opticians	3,488.96	4,778.04	1,202.54	-0-	9,469.54	49	2,030.00
Electrical	7,558.29	7,718.94	7,727.30	-0-	23,004.53	390	95,886.00
Geologist	302.33	-0-	-0-	-0-	302.33	103	-0-
Guides	15,011.75	16,434.10	5,013.00	-0-	36,458.85	1215	45,607.20
Marine Pilots	13,343.78	6,543.06	1,433.70	-0-	21,320.54	68	20,420.00
Medical Board	15,116.58	15,307.93	5,423.07	49.80	35,897.38	1164	103,264.00
Morticians	1,585.89	-0-	372.67	-0-	1,958.56	102	5,645.00
Nursing	28,546.05	12,041.80	11,995.97	17.00	52,600.82	5395	121,041.82
NHA	1,511.65	268.00	791.06	16.05	2,586.76	22	3,020.00
Optometry	3,488.96	3,392.60	1,308.29	-0-	8,189.85	45	1,410.00
Pharmacy	9,069.94	10,268.75	1,600.11	343.70	21,282.50	438	8,362.00
Physical Therapy	1,585.99	5,778.35	846.30	-0-	8,210.54	127	13,195.00
Psychology	4,534.97	11,040.30	1,890.28	-0-	17,465.55	95	4,710.00
Public Accountancy	13,604.92	9,489.00	16,376.85	165.00	39,635.77	648	25,442.00
Veterinary	1,585.89	7,775.98	936.59	-0-	5,298.46	143	5,520.00
Total		158,233.04	115,060.77		525,064.44	23,956	1,066,854.87

AELS
Barbers
Contractors
Electrical
Guides
Medical Bd
Morticians
Nursing
NHA
PhysicalTher
Veterinary

ADD TO 1,079,454.87

* does not include director salary plus other support.

(1) Source: Work up sheets done for FY 82 & 83 for salaries, added 22.6 for benefits.
(2) Source: FY 83 Computer run of Revenues Received for FY 82 & FY 83.

Budget Breakdown

copy

A M E N D M E N T

TO: SB 502

By Eliason

Page 2, after line 26, insert a new subsection to read:

"(d) The department shall send written notice to each person who is licensed to practice an occupation of a ^{proposed} change in the amount or manner of payment of fees for that occupation at least 30 days before the adoption of the change.

STATE OF ALASKA

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

OFFICE OF THE COMMISSIONER

April 6, 1984

Bill Sheffield, Governor

POUCH C
JUNEAU, ALASKA 99811
PHONE: 465-2500

Honorable Pat Rodey
Alaska State Senate
State Capital, Rm. 504
Pouch V
Juneau, Alaska 99811

Dear Senator Rodey:

RE: Licensing Fees

In accordance with your request made to Harry Treager, Director of the Division of Occupational Licensing, the enclosed is submitted for your perusal.

The enclosed sheet that is identified, "How Fee Levels are Calculated," was obtained from the Council of State Governments. In addition to the states listed, the staff also contacted the States of Washington and California.

WASHINGTON: Information provided by Mr. Jim McCarron, a senior Director of the Department of Licensing, phone (206) 753-2349.

Licensing fees are set by the director in the spring of each year after consideration of budget expenses versus revenues.

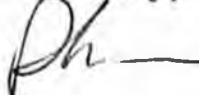
CALIFORNIA: Information provided by Dan Buntjer, attorney assigned to the legal section of the Department of Consumer Affairs, phone (916) 445-4216.

The agency supports approximately 40 licensing boards. Budgeting is done from a "Special" account covering license fees.

Maximum amounts charged are set by statute. The agency, in concert with the board, has the right to set a fee structure depending on costs for that particular board. Anytime the surplus exceeds two years of operating costs, the agency is required to reduce licensing fees.

There is a budget bill prepared every year where the Legislature would review the budget versus costs.

Sincerely,



Richard A. Lyon
Commissioner

08-H2LH

RAL/kkk/C30
Enclosure
4684a

HOW FEE LEVELS ARE CALCULATED

- COLORADO A state statute directs that "each board or commission shall adjust its fees so that revenues generated approximate its direct and indirect costs." (Chapter 12, Section 24-34-105, C.R.S.)
- FLORIDA A state statute directs that "each board shall determine by rule the amount of licensing fees for its profession, based on department estimates of the revenue required to implement this part and the provisions of law with respect to the regulation of professions..." (Florida Statutes, Title XXX, Section 455.0113)
- HAWAII The fees are set by the Director of Regulatory Agencies and boards to maintain a reasonable relation between the revenues derived from fees and the costs of services rendered.
- IOWA In addition to any other fee provided by law, boards may set fees for licenses and renewals; the fee shall be based on the cost of collecting information for use by the Department of Health in administration of the system of health manpower statistics. Examining boards set fees for exams, based on administrative costs.
- KANSAS Boards shall set fees upon determination of administrative costs (within limitations prescribed).
- MICHIGAN Fees are established by the legislature to fund operations in the Department of Licensing and Regulation.
- MINNESOTA Fees are established by boards and approved by the Commissioner of Finance. Fees should approximate anticipated administrative costs.
- OHIO Fees are provided by law. However, the boards may set fees in excess of these amounts, but not by more than fifty percent.
- VIRGINIA Boards are empowered to set fees that are sufficient to cover operating and administrative expenses.

Jay Barton
President

UNIVERSITY OF ALASKA
FAIRBANKS ALASKA 99701

April 2, 1984

The Honorable Richard Eliason, Chairman
Senate Labor and Commerce Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Eliason:

When HB 535 was being considered in the House, I asked the University of Alaska Risk Manager to review the bill as it related to University employees. After reviewing the proposed legislation he stated that this is a desirable bill because of the limited insurance opportunities available to retired employees. Therefore, the University of Alaska is happy to support HB 535.

We would appreciate your favorable consideration of this legislation.

Sincerely yours,



W. Russell Jones
Special Assistant
for Legislative Affairs

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