

State of Alaska FY2005 Governor's Operating Budget

Department of Community & Economic Development Occupational Licensing RDU/Component Budget Summary

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RDU/Component: Occupational Licensing

(There is only one component in this RDU. To reduce duplicate information, we did not print a separate RDU section.)

Contribution to Department's Mission

Ensure that competent professional and commercial services are available to Alaska consumers.

Core Services

OCCUPATIONAL/PROFESSIONAL LICENSING:

Administer 20 occupational licensing programs through support to licensing Boards or Commissions and administer 17 programs solely through division staff (without oversight of a board or commission).

BUSINESS LICENSING:

License approximately 74,500 businesses to engage in commerce in Alaska. At the start of FY03, 1,762 businesses held tobacco endorsements attached to their licenses permitting retail sale of tobacco products.

End Results	Strategies to Achieve Results
<p>(1) Professional/ Occupational Licensing - Provide Public Protection</p> <p><u>Target:</u> Ensure available services of qualified practitioners in Alaska <u>Measure:</u> Number of current licensees</p> <p><u>Target:</u> Ensure services are delivered by competent licensees. <u>Measure:</u> Number of programs with access via the web.</p> <p>(2) Business Licensing – Promote Commerce</p> <p><u>Target:</u> Business Licensing – Promote Commerce <u>Measure:</u> Expediency in which business licenses and tobacco endorsements are issued.</p> <p><u>Target:</u> Sites throughout the State where application forms or web access is available. <u>Measure:</u> Number of proactive enforcement notices issued.</p> <p><u>Target:</u> Expedient response to tobacco convictions. <u>Measure:</u> Reduce number of tobacco violations.</p> <p>(3) Administration – Efficient Operations of Licensing Programs</p>	<p>(1) Assess workload activity by program to meet demands for licensing</p> <p><u>Target:</u> Simplify licensing procedures & eliminate unnecessary obstacles. <u>Measure:</u> Length of time in processing applications to issuance of a license.</p> <p><u>Target:</u> Concentrate investigative resources on program areas with greater numbers of complaints. <u>Measure:</u> % of total open case load, actions taken, and cases closed</p> <p><u>Target:</u> Allow direct public access to licensing information on the web. <u>Measure:</u> Type of information accessible via the web.</p> <p>(2) Simplify access to license applications and information.</p> <p><u>Target:</u> Disseminate business license applications to State and Municipalities. <u>Measure:</u> Sites throughout the State where application forms or web access is available.</p> <p><u>Target:</u> Spot check business licenses. <u>Measure:</u> Businesses that comply with proactive enforcement notices.</p> <p><u>Target:</u> Immediate action toward suspensions and fines. <u>Measure:</u> Timeliness of disciplinary actions.</p> <p>(3) Remove unnecessary barriers to seeking licensure</p>

End Results	Strategies to Achieve Results
<p><u>Target:</u> Eliminate licensing boards whose functions have become perfunctory. <u>Measure:</u> Passage of statutory changes to eliminate certain boards.</p> <p><u>Target:</u> Reduce the number of out-of-state trips by 10%. <u>Measure:</u> Limit the number of travelers allowed to attend the same event.</p> <p><u>Target:</u> Adjust licensing fees commensurate to the reduction in expenditures. <u>Measure:</u> Number of programs whose fees are reduced.</p>	<p>in Alaska.</p> <p><u>Target:</u> Continue licensing of programs by the division. <u>Measure:</u> Establishing clear and concise licensing requirements for licensure.</p> <p><u>Target:</u> Allow out-of-state trips to those who can provide benefit to the State in licensing. <u>Measure:</u> Weigh importance of the function.</p> <p><u>Target:</u> Reduction in direct program costs. <u>Measure:</u> Licensing fees to be reduced.</p>

Major Activities to Advance Strategies	
<ul style="list-style-type: none"> • OCCUPATIONAL/PROFESSIONAL LICENSING: • Perform the following functions for over 130 occupations within the 37 programs: • Distribute application forms for initial licensure and renewal by mail and Internet • Respond to questions from applicants, other states and non-governmental organizations regarding Alaska's licensing laws • Review applications to determine if qualifications have been met • Determine whether applicants are in arrears on child support or student loan repayment • Verify Alaska licenses for the licensing agencies of other states • Write and/or administer professional examinations • Investigate complaints of incompetent or illegal activity by professionals • Prepare formal accusations against licensees when investigations reveal evidence of violations of licensing laws • Present the legal case against licensees charged with violations • Negotiate settlements with licensees whom the division believes violated the law • Report disciplinary actions taken against Alaska licensees to national databanks • Organize and staff licensing board/commission meetings • Assist licensing boards in writing regulations 	<ul style="list-style-type: none"> • Represent the state in appeals of license denials, lawsuits and appeals of disciplinary actions • Provide public lists of licensees on CD-ROM, paper, and through Internet search of the computer databases. • BUSINESS LICENSING: • Distributes application forms for initial licensure and renewal by mail and Internet • Reviews applications for completeness and legal sufficiency • Collects \$50 for each two-year license and \$100 for each endorsement permitting retail sale of tobacco products at a specific location. • Classifies businesses according to their activities • Issues licenses at service counters in Juneau and Anchorage • Issues and renews licenses via the Internet • Researches the licensing history of Alaska businesses • Bring unlicensed businesses into voluntary compliance with the law • Suspends tobacco sales endorsements of businesses convicted of selling tobacco to minors • Assists tobacco enforcement officers by recording tobacco endorsement actions in the business licensing database and making the data available via the Internet • Provides public lists of licensed businesses on CD-ROM and through Internet search of the computer database.

FY2005 Resources Allocated to Achieve Results

FY2005 Component Budget: \$8,263,900	Personnel:	
	Full time	78
	Part time	0
	Total	78

Performance Measure Detail

(1) Result: Professional/Occupational Licensing -Provide Public Protection

Target: Ensure available services of qualified practitioners in Alaska

Measure: Number of current licensees

Target: Ensure services are delivered by competent licensees.

Measure: Number of programs with access via the web.

(2) Result: BusinessLicensing –Promote Commerce

Target: Business
Licensing –
Promote Commerce

Measure: Expediency in which business licenses and tobacco endorsements are issued.

Analysis of results and challenges: This is a new measure and will be calculated starting in FY04.

Target: Sites throughout the State where application forms or web access is available.

Measure: Number of proactive enforcement notices issued.

Analysis of results and challenges: This is a new measure and will be calculated starting in FY04.

Target: Expedient response to tobacco convictions.

Measure: Reduce number of tobacco violations.

Analysis of results and challenges: This is a new measure and will be calculated starting in FY04.

(3) Result: Administration –Efficient Operations of Licensing Programs

Target: Eliminate licensing boards whose functions have become perfunctory.

Measure: Passage of statutory changes to eliminate certain boards.

Analysis of results and challenges: This is a new measure and will be calculated starting in FY04.

Target: Reduce the number of out-of-state trips by 10%.

Measure: Limit the number of travelers allowed to attend the same event.

Analysis of results and challenges: This is a new measure and will be calculated starting in FY04.

Target: Adjust licensing fees commensurate to the reduction in expenditures.

Measure: Number of programs whose fees are reduced.

Analysis of results and challenges: This is a new measure and will be calculated starting in FY04.

(1) Strategy: Assess workload activity by program to meet demands for licensing

Target: Simplify licensing procedures & eliminate unnecessary obstacles.

Measure: Length of time in processing applications to issuance of a license.

Target: Concentrate investigative resources on program areas with greater numbers of complaints.

Measure: % of total open case load, actions taken, and cases closed

Target: Allow direct public access to licensing information on the web.

Measure: Type of information accessible via the web.

(2) Strategy: Simplify access to license applications and information.

Target: Disseminate business license applications to State and Municipalities.

Measure: Sites throughout the State where application forms or web access is available.

Target: Spot check business licenses.

Measure: Businesses that comply with proactive enforcement notices.

Target: Immediate action toward suspensions and fines.

Measure: Timeliness of disciplinary actions.

(3) Strategy: Remove unnecessary barriers to seeking licensure in Alaska.

Target: Continue licensing of programs by the division.

Measure: Establishing clear and concise licensing requirements for licensure.

Target: Allow out-of-state trips to those who can provide benefit to the State in licensing.

Measure: Weigh importance of the function.

Target: Reduction in direct program costs.

Measure: Licensing fees to be reduced.

Key Component Challenges

1. **Web Programs:** The Division of Occupational Licensing has established a goal to provide public accessibility to licensing information by making the licensing process and information on licensees available via the web. This topic is actually a long-term challenge in that the desire to use technology for faster, efficient services creates a huge impact on staffing resources and the need to maintain data integrity. There are 37 licensing programs to bring online.

Current year challenge to the online applications will be initial automation of the renewal process for Real Estate licensees, as well as the second automated renewal process for the Architect, Engineers and Land Surveyors (AELS). Learning from its initial automated renewal process two years ago, changes were made to the online AELS

renewal program. If these renewals work smoothly, it will pave the way for other programs to come online. These changes affect several aspects of the online renewal program from the user screens, to payment processing, to license and financial reconciliation, and the monitoring of the web program for issuance of credit or void transactions.

In the next budget year, the division will be facing challenges to bring more license renewal programs online, in addition to improving its current online forms. Currently, application forms are located on the web for each of the licensing programs, however, applicants must download and print the forms then complete the application forms manually. The division is seeking a way to automate its online forms to allow applicants to download and complete the form online before printing the form for submission.

2. **Enforcement Actions:** The current Investigation and Litigation processes are taking too long to complete. A challenge for the division is to find ways to shorten the length of time from the start of an Investigation to closure of a case, or to obtaining a decision by the Hearing Officer. More aggressive and streamlined procedures are needed.
3. **Program Staffing:** Some programs, such as the Board of Nursing, have multiple staff positions in which difficulties were experienced to fill the positions with qualified individuals. A current year challenge will be to locate qualified individuals interested in accepting those positions. As a standing challenge, the division will need to evaluate tasks assigned to these positions and determine whether the scope of these positions are truly part of the licensing process or whether the tasks are better served by other programs or agencies such as education or workforce development.
4. **Elimination of Licensing Boards:** The recommendation to eliminate licensing boards are usually not a popular idea among its licensees. However, some boards have become perfunctory and actually slows the licensing process. The division will face challenges in proposing recommendations to the Legislature for elimination of some of the licensing boards, although the recommendations will be made in conjunction with the sunset review process.
5. **Licensing Examinations:** More licensing programs are moving toward computerized examinations or examinations administered by contractors of the national licensing organizations. The division faces a challenge beginning this year to phase out State administered licensing exams and utilize standardized licensing exams for the industry either through computerized exams or exams administered by contractors of national licensing organizations. This will establish a minimum level of competency for entry in to the profession and allow licensees to qualify for licensure easier, either in Alaska or moving from Alaska to another State. This change will require statutory or regulation changes to some licensing programs; and a division challenge to identify and support these standardized examinations for other licensing programs.

Significant Changes in Results to be Delivered in FY2005

Workforce Reduction. The division management has done a complete review of the division's historical case load and the allocation of the work load among the investigative staff. It has been determined that the transfer of two of the division's trained investigators to the Division of Banking, Securities and Corporations will provide the best utilization of the department's workforce with no adverse impact to the division. In addition, the new investigative policy procedures being instituted by the State Medical Board will have a significant effect in reducing the number of investigations. This coupled with the fact that division is somewhat overstaffed allows the division to cut two positions and still maintain a high level of efficiency. This reduction in workforce may result in a slight reduction in occupational licensing fees.

Major Component Accomplishments in 2003

BUSINESS LICENSING:

- Completed a major part of the project requiring update to approximately 120,000 electronic business license records on expired business licenses and eliminating paper files.
- Revised the tobacco endorsement database to convert tobacco endorsement information under old statutory requirements to comply with current laws that require identification of related outlet information.
- Completed data capture and update of primary activity codes for all licensing records.
- Issued or renewed 7,595 business licenses through the Internet.

OCCUPATIONAL LICENSING

- Preparation for mandatory licensing of Home Inspectors scheduled for 7/1/04.

- Implementation of legislation allowing for computerization of CPA exams beginning in 2004.
- Implementation of new legislation regarding Marine Pilot exemption for pleasure crafts of foreign registry of less than 175 feet (but more than 65 feet). Some of these yachts would have avoided Alaska if they were required to hire an Alaska Marine Pilot.
- Acquired the task of reporting all disciplinary actions to various state and national data banks.
- Implemented a closure program for investigation cases that are over a year old and do not present a serious public safety issue.

Statutory and Regulatory Authority

AS 08.01	Centralized Licensing
AS 08.02	Miscellaneous Provisions
AS 08.03	Termination, Continuation and Reestablishment of Regulatory Boards
AS 08.04	Board of Public Accountancy
AS 08.13	Board of Barbers and Hairdressers
AS 08.20	Board of Chiropractic Examiners
AS 08.29	Board of Professional Counselors
AS 08.36	Board of Dental Examiners
AS 08.48	State Board of Registration for Architects, Engineers and Land Surveyors
AS 08.62	Board of Marine Pilots
AS 08.63	Board of Marital and Family Therapy
AS 08.64	State Medical Board
AS 08.65	Board of Certified Direct Entry Midwives
AS 08.68	Board of Nursing
AS 08.71	Board of Dispensing Opticians
AS 08.72	Board of Examiners in Optometry
AS 08.80	Board of Pharmacy
AS 08.84	State Physical Therapy and Occupational Therapy Board
AS 08.86	Board of Psychologists and Psychological Associate Examiners
AS 08.87	Board of Certified Real Estate Appraisers
AS 08.88	Real Estate Commission
AS 08.95	Board of Social Work Examiners
AS 08.98	Board of Veterinary Examiners
AS 08.06	Regulation of acupuncturists
AS 08.11	Regulation of audiologists and speech-language pathologists
AS 08.24	Regulation of collection agencies
AS 08.92	Regulation of concert promoters
AS 08.18	Regulation of construction contractors
AS 08.38	Regulation of dietitians and nutritionists
AS 08.40	Regulation of electrical and mechanical administrators
AS 08.54	Regulation of guide-outfitters
AS 08.42	Regulation of morticians
AS 08.45	Regulation of the practice of naturopathy
AS 08.70	Regulation of nursing home administrators
AS 08.02.011	Regulation of professional geologists
AS 08.02.050	Regulation of euthanasia for domestic animals
AS 08.55	Regulation of hearing aid dealers
AS 43.70	Regulation of business licenses
AS 05.05; 05.10	Athletic Commission
AS 46.03.375	Certification of Storage Tank Workers
AS 08.02.025	Student Loan Default Program
AS 25.27.244	Child Support Enforcement Program
AS 44.62	Administrative Procedure Act
AS 44.33.020	Department of Community & Economic Development

Federal Laws:

42 CFR 431, 433 Nurse Aide Registry

and 483
42 CFR 442 and 45 Nursing Home Administrators
12 U.S.C. 3338 Real Estate Appraiser

State Regulations:

12 AAC 02 - 12 AAC 75 Administrative Regulations
12 AAC 12 Business Licensing Regulations
18 AAC 78 Underground Storage Tank Workers

Contact Information
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Occupational Licensing Component Financial Summary

All dollars shown in thousands

	FY2003 Actuals	FY2004 Authorized	FY2005 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	4,259.6	4,622.0	4,589.1
72000 Travel	296.5	308.4	308.4
73000 Contractual	2,572.6	3,310.9	3,205.1
74000 Supplies	84.3	85.7	85.7
75000 Equipment	82.6	93.6	75.6
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	7,295.6	8,420.6	8,263.9
Funding Sources:			
1007 Inter-Agency Receipts	224.7	290.3	297.0
1040 Real Estate Surety Fund	125.9	254.5	257.1
1156 Receipt Supported Services	6,398.4	7,120.3	6,962.7
1175 Business License Receipts	546.6	755.5	747.1
Funding Totals	7,295.6	8,420.6	8,263.9

Estimated Revenue Collections

Description	Master Revenue Account	FY2003 Actuals	FY2004 Authorized	FY2005 Governor
Unrestricted Revenues				
General Fund Program Receipts	51060	110.2	0.0	0.0
Receipt Supported Services	51073	3,253.5	0.0	0.0
Business License Receipts	51173	181.4	0.0	0.0
Unrestricted Fund	68515	31.2	0.0	0.0
Unrestricted Total		3,576.3	0.0	0.0
Restricted Revenues				
Interagency Receipts	51015	224.7	290.3	297.0
Receipt Supported Services	51073	6,398.4	7,120.3	6,962.7
Business License Receipts	51173	546.6	755.5	747.1
Real Estate Surety Fund	51360	125.9	254.5	257.1
Restricted Total		7,295.6	8,420.6	8,263.9
Total Estimated Revenues		10,871.9	8,420.6	8,263.9

**Summary of Component Budget Changes
From FY2004 Authorized to FY2005 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2004 Authorized	0.0	0.0	8,420.6	8,420.6
Adjustments which will continue current level of service:				
-Changes to Retirement and Other Personal Services Rates	0.0	0.0	130.4	130.4
-Transfer 2 Investigator positions from Occupational Licensing to Banking Securities & Corporations	0.0	0.0	-157.5	-157.5
-Delete One-Time Equipment Authorization from Ch 47 SLA2003 (HB162) ADN 0840039 (Ch83 SLA2003 Sec2 P40 L6)	0.0	0.0	-12.0	-12.0
-Delete One-Time Equipment Authorization from Ch47 SLA2003 (HB162) ADN 0840039 (Ch83 SLA2003 Sec2 P40 L6)	0.0	0.0	-6.0	-6.0
Proposed budget decreases:				
-Delete 3 Investigator positions (PCN 08-2100, 08-2033 & 08-#016)	0.0	0.0	-133.0	-133.0
Proposed budget increases:				
-Increase in Department of Labor Reimbursables Service Agreement	0.0	0.0	11.4	11.4
-Contract for Occupational Licensing Hearing Officer	0.0	0.0	10.0	10.0
FY2005 Governor	0.0	0.0	8,263.9	8,263.9

Occupational Licensing Personal Services Information

Authorized Positions		Personal Services Costs		
	<u>FY2004</u> <u>Authorized</u>	<u>FY2005</u> <u>Governor</u>		
Full-time	81	78	Annual Salaries	3,420,684
Part-time	2	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	1,459,073
			<i>Less 5.96% Vacancy Factor</i>	<i>(290,657)</i>
			Lump Sum Premium Pay	0
Totals	83	78	Total Personal Services	4,589,100

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Clerk I	0	0	1	0	1
Accounting Tech II	0	0	1	0	1
Administrative Assistant	1	0	0	0	1
Administrative Clerk II	4	0	4	0	8
Administrative Clerk III	4	0	7	0	11
Administrative Coordinator	0	0	1	0	1
Administrative Manager II	0	0	1	0	1
Analyst/Programmer III	0	0	2	0	2
Analyst/Programmer IV	0	0	1	0	1
Chief Occupational Licensing	0	0	1	0	1
Division Director	0	0	1	0	1
Exec Admin Board of Nursing	1	0	0	0	1
Exec Admin State Medical Board	1	0	0	0	1
Exec Administrator Rec	2	0	0	0	2
Health Program Associate	1	0	0	0	1
Hearing Examiner	1	0	0	0	1
Investigator I	1	0	0	0	1
Investigator III	12	0	0	0	12
Investigator IV	1	0	0	0	1
Law Office Assistant I	1	0	0	0	1
Marine Pilot Coord	0	0	1	0	1
Nurse Consultant I	1	0	0	0	1
Occup Licensing Examiner	2	0	18	0	20
Paralegal II	0	0	1	0	1
Project Asst	1	0	0	0	1
Records & Licensing Spvr	0	0	2	0	2
Regulations Spec II	0	0	1	0	1
Secretary	0	0	1	0	1
Totals	34	0	44	0	78