

State of Alaska FY2009 Governor's Operating Budget

Department of Commerce, Community, and Economic Development Corporations, Business and Professional Licensing Component Budget Summary

Component: Corporations, Business and Professional Licensing

Contribution to Department's Mission

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

Core Services

- Administer 20 licensing programs through support to Boards or Commissions; administer 19 programs solely through the division (without oversight of a board or commission).
- License businesses to engage in commerce in Alaska, and grant tobacco endorsements to businesses for sale of tobacco related products.
- Register Corporations engaged in commerce in Alaska.

End Result	Strategies to Achieve End Result
<p>A: Protect the public from unethical and incompetent providers of services.</p> <p><u>Target #1:</u> Investigate customer complaints that have a potential for licensing violations.</p> <p><u>Measure #1:</u> Number of cases opened during the fiscal year.</p>	<p>A1: Establish procedures to help qualified individuals meet licensing requirements.</p> <p><u>Target #1:</u> Review regulations to stay current with industry needs and standards.</p> <p><u>Measure #1:</u> Number of regulation projects initiated.</p>
End Result	Strategies to Achieve End Result
<p>B: Ensure professional and commercial services are available to the public.</p> <p><u>Target #1:</u> Ensure availability of practitioners and businesses qualified to provide services.</p> <p><u>Measure #1:</u> Number of current licensees each year.</p>	<p>B1: Online accessibility of information.</p> <p><u>Target #1:</u> Provide online services for licensee convenience.</p> <p><u>Measure #1:</u> Number of programs that provide online capabilities.</p>

Major Activities to Advance Strategies	
<ul style="list-style-type: none"> • Perform the following functions for over 130 occupations within the 38 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 	<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. • Distribute application forms for initial licensure and renewal by mail and Internet • Review applications for completeness and legal sufficiency • Classify businesses according to their activities • Issue licenses at service counters in Juneau and Anchorage • Issue and renews licenses via the Internet • Research the licensing history of Alaska businesses • Bring unlicensed businesses into voluntary compliance with the law

Major Activities to Advance Strategies

- 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
- Suspend tobacco sales endorsements of businesses convicted of selling tobacco to minors
- Assist tobacco enforcement officers by recording tobacco endorsement actions in the database and making the data available via the internet
- Provide public lists of licensed businesses on CD-ROM and through Internet search of the computer database.
- Provide registration of Corporate entities via the web.

FY2009 Resources Allocated to Achieve Results

FY2009 Component Budget: \$8,504,700

Personnel:

Full time	65
Part time	0
Total	65

Performance Measure Detail

A: Result - Protect the public from unethical and incompetent providers of services.

Target #1: Investigate customer complaints that have a potential for licensing violations.

Measure #1: Number of cases opened during the fiscal year.

Cases Opened During the Fiscal Year

Year	YTD
FY 2000	499
FY 2001	626
FY 2002	626
FY 2003	614
FY 2004	557
FY 2005	652
FY 2006	786
FY 2007	549

Analysis of results and challenges: The division's desire is to address all consumer complaints expediently. The increased number of consumer complaints over recent years is reflective of providing greater accessibility to the public such as the ability to file a complaint online. It represents public awareness of where to address their concerns; streamlining of internal procedures to address their concerns; streamlining of internal procedures to address complaints expediently; the ability to assist the investigative process through the use of panel/peer review committees; and working with Boards to take a more aggressive role in addressing consumer complaints. The number of Open Cases are reflective of current investigative efforts and management efficiencies to prioritize complaints received. Open Cases are only those complaints that were investigated and do not represent all complaints received from consumers. Some complaints are closed simply by referring them to appropriate agencies or individuals; closed for the lack of statutory or regulatory authority; or closed because the potential of a violation simply does not measure up to the more serious complaints and allegations.

A1: Strategy - Establish procedures to help qualified individuals meet licensing requirements.

Target #1: Review regulations to stay current with industry needs and standards.

Measure #1: Number of regulation projects initiated.

Regulation Projects

Year	YTD
FY 2005	20
FY 2006	36
FY 2007	44

Analysis of results and challenges: The division and licensing boards have a responsibility to ensure services are provided by competent, qualified licensees and to ensure regulations are in place to direct safe and competent practices by licensees. As new licensing programs are created; as changes (education, national trends, scope of practice, etc.) develop in an industry; and as safety issues arise, regulation projects are developed to address the need and provide guidance to licensees and the industry. The increase in regulation projects represent the myriad of issues concerning changes in the industries, and ensures that safety issues are being addressed.

B: Result - Ensure professional and commercial services are available to the public.

Target #1: Ensure availability of practitioners and businesses qualified to provide services.

Measure #1: Number of current licensees each year.

Current Licensees by Fiscal year

Year	YTD
FY 2000	112,053
FY 2001	114,169
FY 2002	114,755
FY 2003	118,595
FY 2004	115,698
FY 2005	116,009
FY 2006	116,933
FY 2007	118,917

Analysis of results and challenges: Alaska benefits by increasing its number of competent, qualified practitioners; however, it is not always easy to attract practitioners to the State. The agency and licensing boards encourages new practitioners and businesses through simplifying its licensing process, while maintaining a high level of ethical practice standards required of its licensees. The numbers of licensees represent current professional and business licenses in the corresponding fiscal year. When the number of licensees increase, more services are available to Alaskan consumers. Because of the current economic status, businesses are currently moving or closing which results a decrease in the number of licenses between years. In addition to licensing statistics, there are approximately 17,962 registered corporations in Alaska.

B1: Strategy - Online accessibility of information.

Target #1: Provide online services for licensee convenience.

Measure #1: Number of programs that provide online capabilities.

Programs with Online Capabilities

Year	YTD
FY 2000	0
FY 2001	1
FY 2002	3
FY 2003	4
FY 2004	4
FY 2005	6
FY 2006	6
FY 2007	6

Analysis of results and challenges: FY 2001: Business Licensing provided new licenses and renewals online.
 FY 2002: Architects, Engineers and Land Surveyors; and Real Estate license renewals were added.
 FY 2003: Nursing (RN) license renewals were added.
 FY 2004: No new programs added.
 FY 2005: Nursing (LPN) and Medical were added. (Note: Nursing is one program although categories were added during different fiscal years.)
 FY 2006: No new programs added.
 FY 2007: No new programs added.

CORPORATIONS: Most filings for Corporation registration is available online.

Key Component Challenges

NEED FOR CONSISTENT LAWS

The division works together with investigations and businesses to ensure compliance with Alaska Statutes and Regulations. Coordination and revision of statutes is necessary for efficiency and enforcement of the statutes.

PUBLIC RECORDS REQUESTS UNDER FOIA

Requests for investigations records under the Freedom of Information Act have impacted the division's ability to respond timely. Statutory authority to provide for a legal summary to satisfy the request would prove beneficial to responding timely and reducing the impact on staffing resources.

AUTOMATION ENHANCEMENTS

Renewal capabilities need to be made for all licensing programs, cross reference information on each licensee, imaging, and a Case Management and Complaint Tracking System that can be used by all investigators in the department. These efficiencies will contribute toward maintaining licensing fees at a reasonable level.

Significant Changes in Results to be Delivered in FY2009

Creation of a new Office of Consumer Affairs and Investigations Budget component within the RDU to increase efficiency and departmental response to consumer complaint

Online capabilities for professional licensing programs that currently must renew by paper

Implementation of statutory and regulatory changes that will affect efficient operations of the regulated programs (such as: new guide licensing requirements; marine pilot examinations, etc.)

Providing secured access to Guide Hunt and Transporter Activity Records via the Internet.

Implementation of a new Nursing license enterprise application through the National Council State Boards of Nursing

Implementation of an integrated license system that enables all licenses to be searched and reviewed from one licensing system.

Major Component Accomplishments in 2007

CERTIFIED PUBLIC ACCOUNTANCY

A comprehensive rewrite of the Public Accountancy licensing statutes, Chapter 16 SLA 06, will become effective on January 1, 2008. Regulations by the Board were rewritten and will take effect to coincide with the new statutes.

CPAES

Contracting through the National Association of State Boards of Accountancy (NASBA), the State has obtained the services of CPAES (Certified Public Accountancy Examination Services) to handle all examination applicants for Alaska. Passing of the National CPA Examination is a requirement for licensure in Alaska.

GUIDE HUNT AND TRANSPORTER ACTIVITY REPORTS

A project that entails scanning of confidential guide hunt records and transporter activity reports will be completed and made accessible through secured access to authorized law enforcement agencies. This project will allow users to query big game guide activities and print actual report documents submitted to the Division. These documents are often requested by law enforcement officers in court proceedings.

CONSTRUCTION CONTRACTORS ENFORCEMENT

With new statutory authority to access civil fines, the Department of Labor has begun to access civil fines to unlicensed construction contractors. The Division has already begun to receive revenues from civil fines and compliance with the construction contractor's licensing laws is finally attracting attention to curtail unlicensed activity.

AELS CONTINUING EDUCATION

Continuing education regulations for Architects and Engineers were passed and will take effect with the upcoming renewal on December 30, 2007, in line with a growing national trend toward development of comprehensive, mandatory State continuing education.

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 08.54	Big Game Commercial Services Board
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 08.72	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 and home inspectors
AS 08.38	Regulation of dietitians and nutritionists
AS 08.40	Regulation of electrical and mechanical administrators
AS 08.42	Regulation of morticians
AS 08.45	Regulation of the practice of naturopathy
AS 08.70	Regulation of nursing home administrators
AS 08.71	Regulation of dispensing opticians
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 08.26	Regulation of professional guardians and professional conservators
AS 43.70	Regulation of business licenses
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
AS 10.	Corporations and Associations

Federal Laws:

42 CFR 431, 433 and 483	Nurse Aide Registry
42 CFR 442 and 45	Nursing Home Administrators
12 U.S.C. 3338	Real Estate Appraiser

State Regulations:

03 AAC 16	Corporations, Partnerships, and Other Business Organizations
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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**Corporations, Business and Professional Licensing
Component Financial Summary**

All dollars shown in thousands

	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	4,667.9	3,919.6	4,112.3
72000 Travel	336.3	324.4	324.4
73000 Services	3,622.6	3,737.9	3,854.9
74000 Commodities	156.3	75.7	75.7
75000 Capital Outlay	11.8	137.4	137.4
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	8,794.9	8,195.0	8,504.7
Funding Sources:			
1007 Inter-Agency Receipts	101.2	311.5	311.5
1040 Real Estate Surety Fund	111.2	271.4	271.4
1156 Receipt Supported Services	6,977.4	6,107.0	6,364.9
1175 Business License and Corporation Filing Fees and Taxes	1,605.1	1,505.1	1,556.9
Funding Totals	8,794.9	8,195.0	8,504.7

Estimated Revenue Collections

Description	Master Revenue Account	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
Unrestricted Revenues				
General Fund Program Receipts	51060	134.1	134.1	134.1
Unrestricted Fund	68515	1,439.5	1,439.5	1,439.5
Unrestricted Total		1,573.6	1,573.6	1,573.6
Restricted Revenues				
Interagency Receipts	51015	101.2	311.5	311.5
Receipt Supported Services	51073	6,977.4	6,107.0	6,364.9
Business License Receipts	51173	1,605.1	1,505.1	1,556.9
Real Estate Surety Fund	51360	111.2	271.4	271.4
Restricted Total		8,794.9	8,195.0	8,504.7
Total Estimated Revenues		10,368.5	9,768.6	10,078.3

**Summary of Component Budget Changes
From FY2008 Management Plan to FY2009 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2008 Management Plan	0.0	0.0	8,195.0	8,195.0
Adjustments which will continue current level of service:				
-FY 09 Health Insurance Increases for Exempt Employees	0.0	0.0	1.2	1.2
-FY 09 Bargaining Unit Contract Terms: General Government Unit	0.0	0.0	191.5	191.5
Proposed budget increases:				
-Program Coordinator Position Costs in Administrative Services	0.0	0.0	22.0	22.0
-Core Service Increases Paid to Department of Administration	0.0	0.0	95.0	95.0
FY2009 Governor	0.0	0.0	8,504.7	8,504.7

**Corporations, Business and Professional Licensing
Personal Services Information**

Authorized Positions		Personal Services Costs		
	<u>FY2008</u>	<u>FY2009</u>		
	<u>Management</u>	<u>Governor</u>		
	<u>Plan</u>			
Full-time	65	65	Annual Salaries	2,628,739
Part-time	0	0	COLA	179,387
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	1,612,684
			<i>Less 6.98% Vacancy Factor</i>	<i>(308,510)</i>
			Lump Sum Premium Pay	0
Totals	65	65	Total Personal Services	4,112,300

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Clerk II	0	0	2	0	2
Accounting Tech II	0	0	1	0	1
Administrative Assistant II	1	0	0	0	1
Administrative Clerk II	2	0	5	0	7
Administrative Clerk III	5	0	9	0	14
Administrative Officer II	0	0	1	0	1
Administrative Supervisor	0	0	1	0	1
Business Reg Examiner	0	0	3	0	3
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	1	0	0	0	1
Executive Administrator Aels	0	0	1	0	1
Marine Pilot Coord	0	0	1	0	1
Nurse Consultant I	1	0	0	0	1
Occup Licensing Examiner	3	0	16	0	19
Paralegal II	0	0	1	0	1
Project Asst	1	0	0	0	1
Publications Spec II	1	0	0	0	1
Records & Licensing Spvr	1	0	2	0	3
Regulations Spec II	0	0	1	0	1
Secretary	0	0	1	0	1
Totals	18	0	47	0	65