

State of Alaska FY2007 Governor's Operating Budget

**Dept of Commerce, Community, & Economic Development
Corporations, Business and Professional Licensing
RDU/Component Budget Summary**

RDU/Component: Corporations, Business and Professional 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

- Administer 20 licensing programs through support to Boards or Commissions; administer 18 programs solely through the division (without oversight of a board or commission).
- License approximately 67,200 businesses to engage in commerce in Alaska. Grant tobacco endorsements to businesses for the sale of tobacco or tobacco related products.
- Register approximately 40,000 Corporations engaged in commerce in Alaska.

End Results	Strategies to Achieve Results
<p>A: Protect the public from unethical and incompetent providers of services.</p> <p><u>Target #1:</u> Investigate 100% of customer complaints that have a potential for licensing violations. <u>Measure #1:</u> Number of complaints opened during the fiscal year.</p> <p><u>Target #2:</u> By the end of FY 08, 100% of programs will provide more descriptive disciplinary information available to the public immediately upon inquiry. <u>Measure #2:</u> Number of programs with access to disciplinary information online.</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. <u>Measure #1:</u> Number of regulation projects initiated.</p> <p>A2: Responsiveness to consumer complaints.</p> <p><u>Target #1:</u> Increase number of investigations closed over prior year. <u>Measure #1:</u> Number of investigations that are settled (either through closure or enter litigation.)</p>
End Results	Strategies to Achieve Results
<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. <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. <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 	<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.

Major Activities to Advance Strategies

- 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
- Distribute application forms for initial licensure and renewal by mail and Internet
- Review applications for completeness and legal sufficiency
- Collect \$50 for each two-year license and \$100 for each endorsement permitting retail sale of tobacco products at a specific location.
- 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
- 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.

FY2007 Resources Allocated to Achieve Results

FY2007 Component Budget: \$9,760,300

Personnel:

Full time	82
Part time	0
Total	82

Performance Measure Detail

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

Target #1: Investigate 100% of customer complaints that have a potential for licensing violations.

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

Cases Opened During the Fiscal Year

Fiscal Year	YTD	Percentage
FY 2000	499	45%
FY 2001	626	60%
FY 2002	626	54%
FY 2003	614	47%
FY 2004	557	48%
FY 2005	652	48%

Target #2: By the end of FY 08, 100% of programs will provide more descriptive disciplinary information available to the public immediately upon inquiry.

Measure #2: Number of programs with access to disciplinary information online.

Number of programs with disciplinary information accessible online.

Fiscal Year	YTD	Percentage
FY 2004	1	2.7%
FY 2005	1	2.7%

Analysis of results and challenges: Licensing programs online currently indicate if disciplinary action was taken against a licensee, however, no details of the action are provided with the exception of one program area. The goal is to expand information availability for all programs.

Disciplinary information for 22 programs are currently reported to national disciplinary databanks however, at present there is no public accessibility to those databases except for the one licensing program (medical).

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

Fiscal Year	YTD Total
FY 2005	20

A2: Strategy - Responsiveness to consumer complaints.

Target #1: Increase number of investigations closed over prior year.

Measure #1: Number of investigations that are settled (either through closure or enter litigation.)

Closed Investigations During the Fiscal Year

Fiscal Year	YTD Total
FY 2000	499
FY 2001	409
FY 2002	550
FY 2003	688
FY 2004	584
FY 2005	707

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

Fiscal Year	YTD Total
FY 2000	112,053
FY 2001	114,169
FY 2002	114,755
FY 2003	118,595
FY 2004	115,698
FY 2005	116,009

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

Fiscal Year	YTD Total
FY 2000	0
FY 2001	1
FY 2002	3
FY 2003	4
FY 2004	4
FY 2005	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.)

In FY 2006, the division anticipates Business Licensing to be placed on a new automated system to interface with the Corporations database.

Key Component Challenges

The Division of Occupational Licensing encountered several changes in the last year that continues to challenge the division. The transfer of the Corporations program in to the Division of Occupational Licensing generated the need for a name change from the Division of Occupational Licensing to the Division of Corporations, Business and Professional Licensing (Corporations and Licensing for short). The Corporations program also brings a new automated system to the division that is anticipated to allow greater customer interactions with the State through web based programs. These services are available at user convenience. The division anticipates moving the Business Licensing program database to the new system, ultimately combining both programs to draw information from a shared database. This change allows the division to develop a process and resolve conflicts to efficiently implement statutes, such as business name registrations. In migrating to the new Secretary of State Knowledge Base System (SOS-KB) system a change is also necessary to the method of accounting for incoming revenue. This change will have significant impact on the division's support and accounting staff. Another challenge concerning change in automated systems is the ability to digitize records, with the intent of making documents readily available and reducing the need for paper file storage. As automation evolves, plans are to eventually allow more licensing programs the ability to renew a license via the web. Another challenge concerns providing immediate web access to disciplinary actions. The division currently reports disciplinary activity for 22 licensing programs to national disciplinary databanks yet, only one program provides detailed information. The division's goal is to expand information availability for all programs.

New legislation passed during the 2005 legislative session reestablished the Big Game Commercial Services Board. The division will provide administrative, budgetary, and investigative support to the new board and help to introduce board members to their role as licensing officials. Another legislation also created the licensing for professional guardians and professional conservators. Industry representatives seeking licensure have already raised concerns regarding the new legislation and the need for statutory amendments and regulations. The division is presently working with the industry to identify the issues.

An unexpected challenge facing many licensing programs currently is how to handle applicants whose credential documents were destroyed as a result from Hurricane Katrina. Several licensing boards are already working closely with their national organizations to establish guidelines on how to assist these individuals.

Significant Changes in Results to be Delivered in FY2007

A significant change to occur in FY2007 is online services to Business Licensing and Corporation customers as the result of a new automated system with shared database information. Additionally, the division anticipates digitizing of records to enhance accessibility to the documents and decrease storage space of paper files. Greater use of automation throughout the division is a priority.

Major Component Accomplishments in 2005

- Successfully transferred out the Hearing Officer Unit to the Department of Administration
- Transferred the Corporations program to the Division of Occupational Licensing on September 17, 2004 by Administrative Order 219
- Relocate licensing support staff for the Alaska Board of Nursing from Juneau to Anchorage
- Implemented online license renewals for the State Medical Board

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 and home inspectors
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 08.26	Regulation of professional guardians and professional conservators
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
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

Contact: Richard Urion, Director
Phone: (907) 465-2534
Fax: (907) 465-2974
E-mail: Rick_Urion@commerce.state.ak.us

**Corporations, Business and Professional Licensing
Component Financial Summary**

All dollars shown in thousands

	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	4,059.3	5,280.8	5,348.3
72000 Travel	249.3	334.4	334.4
73000 Services	2,785.6	3,508.9	3,839.5
74000 Commodities	152.1	100.7	100.7
75000 Capital Outlay	0.4	137.4	137.4
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	7,246.7	9,362.2	9,760.3
Funding Sources:			
1007 Inter-Agency Receipts	109.5	299.3	311.5
1040 Real Estate Surety Fund	133.1	266.2	271.2
1156 Receipt Supported Services	6,251.9	7,313.8	7,573.2
1175 Business License and Corporation Filing Fees and Taxes	752.2	1,482.9	1,604.4
Funding Totals	7,246.7	9,362.2	9,760.3

Estimated Revenue Collections

Description	Master Revenue Account	FY2005 Actuals	FY2006 Managem ent Plan	FY2007 Governor
<u>Unrestricted Revenues</u>				
General Fund Program Receipts	51060	81.3	0.0	0.0
Receipt Supported Services	51073	4,706.8	6,100.0	6,100.0
Business License Receipts	51173	2,528.2	855.0	859.4
Unrestricted Fund	68515	21.1	1,000.0	1,000.0
Unrestricted Total		7,337.4	7,955.0	7,959.4
<u>Restricted Revenues</u>				
Interagency Receipts	51015	109.5	299.3	311.5
Receipt Supported Services	51073	6,251.9	7,313.8	7,573.2
Business License Receipts	51173	752.2	1,482.9	1,604.4
Real Estate Surety Fund	51360	133.1	266.2	271.2
Restricted Total		7,246.7	9,362.2	9,760.3
Total Estimated Revenues		14,584.1	17,317.2	17,719.7

**Summary of Component Budget Changes
From FY2006 Management Plan to FY2007 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2006 Management Plan	0.0	0.0	9,362.2	9,362.2
Adjustments which will continue current level of service:				
-FY 07 Wage Increases for Bargaining Units and Non-Covered Employees	0.0	0.0	94.4	94.4
-FY 07 Health Insurance Cost Increases for Bargaining Units and Non-Covered Employees	0.0	0.0	14.6	14.6
-FY 07 Retirement Systems Cost Increase	0.0	0.0	179.3	179.3
Proposed budget increases:				
-Maintenance for the Business Licensing System	0.0	0.0	100.0	100.0
-Risk Management Self-Insurance Funding Increase	0.0	0.0	9.8	9.8
FY2007 Governor	0.0	0.0	9,760.3	9,760.3

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

Authorized Positions		Personal Services Costs		
	<u>FY2006</u> <u>Management</u> <u>Plan</u>	<u>FY2007</u> <u>Governor</u>		
Full-time	85	82	Annual Salaries	3,439,612
Part-time	0	0	COLA	92,407
Nonpermanent	0	0	Premium Pay	1,330
			Annual Benefits	2,029,127
			<i>Less 3.85% Vacancy Factor</i>	(214,176)
			Lump Sum Premium Pay	0
Totals	85	82	Total Personal Services	5,348,300

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Clerk I	0	0	1	0	1
Accounting Clerk II	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	7	0	11
Administrative Clerk III	4	0	8	0	12
Administrative Manager II	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
Health Program Associate	1	0	0	0	1
Investigator I	1	0	0	0	1
Investigator II	1	0	0	0	1
Investigator III	11	0	0	0	11
Investigator IV	1	0	0	0	1
Marine Pilot Coord	0	0	1	0	1
Nurse Consultant I	1	0	0	0	1
Occup Licensing Examiner	4	0	16	0	20
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	0	0	3	0	3
Regulations Spec II	0	0	1	0	1
Secretary	0	0	1	0	1
Totals	34	0	48	0	82