

**State of Alaska  
FY2004 Governor's Operating Budget**

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

## BRU/Component: Occupational Licensing

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

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### Component Mission

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

### Component Services Provided

OCCUPATIONAL LICENSING: Administer the following 37 occupational licensing programs:

Licensing Boards assisted by the Division:

- Architects, Engineers and Land Surveyors
- Barbers and Hairdressers
- Chiropractic Examiners
- Direct-Entry Midwives
- Dispensing Opticians
- Dental Examiners
- Marine Pilots
- Marital and Family Therapy
- Medical
- Nursing
- Optometry
- Pharmacy
- Physical and Occupational Therapy
- Professional Counselors
- Psychologist and Psychological Associate Examiners
- Public Accountancy
- Real Estate Appraisers
- Real Estate Commission
- Social Workers
- Veterinary Examiners

Licensing Programs administered directly by the Division:

- Acupuncture
- Athletic Commission
- Audiologists and Speech-Language Pathologists
- Big Game Guides and Transporters
- Collection Agencies
- Concert Promoters
- Construction Contractors
- Dietitians
- Electrical and Mechanical Administrators
- Euthanasia Services
- Geologists
- Hearing Aid Dealers
- Morticians
- Naturopaths
- Nursing Home Administrators
- Nutritionists
- Underground Storage Tank Workers

Perform the following functions for over 130 occupations within the 37 programs listed above:

- 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 licensing board meetings
- Assist licensing boards in writing regulations
- 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:** License approximately 73,000 businesses to engage in commerce in Alaska. At the start of FY02, 1,862 businesses held tobacco endorsements attached to their licenses permitting retail sale of tobacco products.

To administer the Business Licensing Program, the division:

- 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 primary activities
- Issues licenses at service counters in Juneau, Fairbanks and Anchorage
- Issues and renews licenses via the Internet
- Researches the licensing history of Alaska businesses
- Works to 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, paper and through Internet search of the computer database

## **Component Goals and Strategies**

1. Allow qualified individuals to work in their chosen fields: earning a living, creating new businesses and providing the skilled workforce necessary for state development
  - Make licensing information easy to obtain and understand
  - Issue licenses correctly and promptly
  - Remove unnecessary barriers to licensure
  - Keep license fees as low as possible while meeting the division's legal responsibilities
2. Protect public health and welfare by safeguarding the quality of services provided by Alaska's licensed professionals
  - Investigate allegations of violations of licensing laws thoroughly and promptly
  - Sanction licensees who violate the law in an appropriate manner
  - Provide licensing boards with resources necessary to regulate effectively

## **Key Component Issues for FY2003 – 2004**

### **PUBLIC RECORD REQUESTS**

An Attorney General's opinion stating that division files related to investigations of occupational license holders may be public documents has resulted in lengthy reviews of voluminous investigative files. Witnesses' rights to privacy and

public rights to government records must be weighed for each document in a file. The division expects the number of public record requests to increase as employers and parties to lawsuits become aware that investigative information is available. The division is having difficulty responding to the public record workload, and other division activities are adversely affected.

#### ENFORCEMENT OF NEW TOBACCO SALES LAW

The division issues business license endorsements to businesses that sell retail tobacco products, and the division suspends the endorsements of businesses convicted of sales to minors. In 2001, the law was amended to require businesses to purchase separate tobacco endorsements for each location where tobacco is sold. The division is helping businesses comply with the law and informing them of the penalties for improper tobacco sales. The Department of Health and Social Services is dedicating substantial resources to enforcement of tobacco sales laws. This effort will result in significantly more convictions. The division will respond by assigning investigators to prepare cases for suspension hearings and negotiate settlement agreements. We also anticipate an increased caseload for the hearing officer. During the license renewals in FY03, the division will issue tobacco endorsements to the remaining businesses coming into compliance with the law that passed in 2001, requiring each retail outlet selling tobacco to have a tobacco endorsement.

#### VOLATILITY OF FEES

AS 08.01.065(c) mandates that the department set license fees for each occupation at a level that approximately equals the cost of regulating the occupation. The enforcement costs mentioned above make fees very volatile. A 1997 legislative audit directed the division to set fees incorporating professions' surpluses and deficits from prior years. The audit also recommended strictly applying the fee law and requiring each of the division's 130 professions to pay their own costs rather than accounting at the board/program level. The result of a strict legal interpretation would be even greater variation in fees for small professions. Due to Alaska's small population, many professions have fewer than 200 members to share costs.

#### NURSE/NURSE AIDE/COLLECTION AGENT BACKGROUND CHECKS

Regulations requiring fingerprint checks on nurse and nurse aide applicants took effect in the spring of FY02. In the FY03 budget, the division requested and received an increment to pay the Department of Public Safety's fingerprint charges of \$59 per applicant. The amount of this request was based on FY01 applicant data. However, the number of applicants has since increased significantly, and an increment is now needed.

#### POSTAGE RATE INCREASE

One of the division's central activities is distributing application forms and licenses. Although the division has made efforts to reduce postage costs by putting approximately 100 application forms on the web and launching three online renewal programs (business licensing, engineering-AELS, and nursing), increases in the number of applicants have more than offset these savings. An increment for increased postage costs is now requested.

#### STATE MEDICAL BOARD MEDICAL INVESTIGATIONS

As of the beginning of Fiscal Year 2002 there were 220 ongoing medical investigations (open cases) being pursued. During that fiscal year 118 new cases were opened and 175 cases were closed. Thus, as of the beginning of Fiscal Year 2003 the total number of open cases had been reduced to 163. Since then the number of new cases has exceeded those being closed -- 85 new to 64 closed. Consequently, there are now 184 open cases and the backlog is now to the point that only cases involving sex, drugs, and/or death are actively investigated.

Lesser allegations such as excessive prescriptions, medical unresponsiveness, and patient uneasiness are not actively investigated.

#### RECLASSIFICATION OF LICENSING STAFF

The Department of Administration has been engaged in a classification study of occupational licensing examiners, supervisors, and administrators since 2001. This reclassification is currently scheduled for completion in the Spring or Summer of 2003 and may result in a personal services increase.

#### NURSING LICENSING

The Board of Nursing wants to decrease the time it takes for nurse applicants to receive a license. One thousand more people applied for nurse licenses in FY02 than in FY01. The state needs nurses and quick processing of applications is important to applicants and health facilities. However, the division has not been able to keep up with the increased volume.

## Major Component Accomplishments in 2002

### BUSINESS LICENSING:

- Modified business licensing database and Internet program to provide information showing the location(s) of each outlet selling tobacco products and any enforcement action taken against each tobacco endorsement.
- Initiated a project to update information in the database, then to destroy the paper records on business licenses that have lapsed for more than four years. Removal of the paper records from approximately 120,000 files has been completed, and update of the database information and destruction of the paper records continue.
- Participated in multi-departmental Tobacco Workforce efforts to coordinate and share licensing information to assist tobacco enforcement efforts.
- Issued or renewed 6,000 business licenses through the Internet.

### OCCUPATIONAL LICENSING:

- Conducted the state's first on-line renewal of professional licenses with a web program for architects, engineers and land surveyors.
- Prepared a program for on-line renewal of registered nurse licenses in October 2002.
- Created a web program allowing the public to search, download and print detailed guide use area maps, and to learn the guide use areas in which each hunting guide is registered to operate.
- Began requiring fingerprint cards from all nurse and nurse aide applicants and conducting criminal history checks.
- Prepared over thirty regulation projects revising regulations for boards and programs. These regulation changes included computerized testing of psychologists, rules governing tattooing and body piercing, and numerous other subjects.

## 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 and 483 Nurse Aide Registry  
 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

**Key Performance Measures for FY2004**

**Measure:**

**The time taken to respond from the filing of a licensing law complaint to the conclusion of the case.**  
 Sec 36(b)(1) Ch 124 SLA 2002(HB 515)

**Alaska's Target & Progress:**

Since FY98, there has been a moderate decrease in the percent of cases open longer than 24 months and a marked increase in the percent of cases that had license action before they were closed.

**Investigations Open at End of Fiscal Year  
 (Length of time open)**

	FY98		FY99		FY00		FY01		FY02	
	# of cases	% of cases								
<b>Total Cases Open</b>	463	100.0%	447	100.0%	501	100.0%	623	100.0%	618	100.0%
6 Months or Less	134	28.9%	166	37.1%	180	35.9%	209	33.5%	235	38.0%
6-12 Months	93	20.1%	88	19.7%	133	26.5%	115	18.5%	95	15.4%
12-24 Months	104	22.5%	96	21.5%	92	18.4%	173	27.8%	160	25.9%
24-36 Months	73	15.8%	47	10.5%	42	8.4%	68	10.9%	81	13.1%
More than 36 Months	59	12.7%	50	11.2%	54	10.8%	58	9.3%	47	7.6%

**Investigations Closed During Fiscal Year**

	FY98	FY99	FY00	FY01	FY02
<b>Total Cases Closed</b>	449	481	502	413	550
<b>Closed with License Action</b>	81	110	149	144	236

The top chart shows the total number of open investigations at the end of each fiscal year, and the length of time those cases had been open. The bottom chart shows the total number of cases closed during each year and the number that closed after license action.

The division keeps a case open in its database until the department and its associated boards have entirely completed their involvement in a case and the case has left the department's jurisdiction.

However, division activity does not determine the length of time a case is open after a formal accusation is filed against a party. Hearings on the charges may take place a year or more after the accusation is filed. The proposed hearing decision is often issued two to four months after the hearing date. The court may remand or stay a board decision. These factors are not under the control of the division or its boards.

For the above reason, the division's goal is to reduce the length of time it takes to either file a formal accusation, determine that no disciplinary action is warranted, or enter a disciplinary agreement. The division target is to complete the above steps in less than 24 months in 90% of cases and in less than 36 months in 95% of the cases.

On the last day of FY02 there were 618 open investigations. When the case timeline is stopped on the date a formal accusation is filed, a case is closed or an agreement is entered, the following statistics result:

**81% of cases had been open less than 24 months and 93% of cases had been open less than 36 months.**

Many of the cases that exceeded 24 months involved professionals whose licenses are expired, so they do not present a current risk to Alaska consumers. Many others were judged to present low risk.

The amount of division activity on cases should be taken into account, as well as the length of time cases are open. One indicator of this is the percentage of cases in which there is a license action before closure. License actions include formal accusations (charges), cease and desist orders, settlement agreements, denial of license, license surrender, and board orders. The percent of closed cases that included a license action has increased significantly since FY99.

#### **Benchmark Comparisons:**

The point at which investigations are considered opened and closed, the types of licensing programs administered and the agency's role in investigations vary substantially among states.

The division has not identified another state that categorizes cases as "open" through the complete enforcement process as Alaska does.

In Alaska, a case remains open in our database until one of the following events occurs: the division determines that no formal charge will be made against the party; a cease and desist order takes effect, a disciplinary action is taken through a settlement agreement or hearing process; a hearing results in the determination the party did not violate the law; or the party surrenders the license.

When a case ends with an administrative hearing and a decision, the case is generally closed thirty days after that decision, which is when the terms of the decision usually take effect. If a case is reconsidered by a board or is stayed by the court, the case remains open in the division database.

Many other states consider a case to be closed when it is referred to their department of law for prosecution. These states exclude from their statistics the time it takes for their department of law to file charges, for pre-hearing activity, for the hearing to be scheduled and for the hearing officer's proposed decision to be written and considered by the board. These steps often take a year or more.

#### **Background and Strategies:**

Many factors affect the length of time a specific case remains open including: the priority the division gives to the case based on risk to public health and safety, the overall division case load, the complexity of the investigation, the availability of Department of Law legal services, the hearing officer's schedule, court action and the action of the licensee under investigation. Quick closure of cases cannot be an isolated goal, because investigative thoroughness is also essential to protect consumers and professionals. The number of cases closed with license/disciplinary action should also be taken into account.

**Measure:**

**Whether the division provides opportunities to take tests in a timely manner when the division controls when tests are given.**

Sec 36(b)(2) Ch 124 SLA 2002(HB 515)

**Alaska's Target & Progress:**

The division has made great progress in increasing the frequency of licensing exams and eliminating exam requirements that caused delay in applicants' ability to qualify for licenses.

Many professionals cannot qualify for licenses without first passing one or more examinations. These may be national examinations administered by national organizations or the division, state written examinations, state practical examinations and state examinations on Alaska law governing the profession (jurisprudence exams.)

The division target for FY02 was to create a workable plan to increase the frequency with which exams are offered in FY03.

National examinations are administered on a schedule and under conditions determined by outside organizations. The division controls the frequency with which state written exams for the following professions are offered: barbers, hairdressers, estheticians, electrical administrators, mechanical administrators and residential contractors. These exams were offered quarterly, but will be administered much more frequently in FY03.

Electrical administrator, mechanical administrator and residential contractor examinations will be offered nine times each year in Anchorage, Fairbanks and Juneau beginning in the fall of FY03, under the terms of a new contract with an examination company.

The frequency of big game guide exams is limited by statute to four times each year. However, the division increased the number of locations in which the quarterly exams are administered. Rather than offering the exam in a single location, the division administers the exam in Anchorage, Fairbanks and Juneau.

The state practical exams for optometry, dispensing optician, chiropractic and veterinary licenses have been eliminated. These exams were offered only once or twice each year because they required administration and grading by board members and other professionals. Board members grade the state written examination for psychologists, and the board has increased the frequency of the exam from twice a year to four times a year.

Most other state examinations are given upon request. Exceptions are the chiropractic oral and written exam and the marine pilot exam, which are given in conjunction with board meetings. While most Alaska jurisprudence exams are given upon request, the Board of Dental Examiners continues to require individuals who apply with licenses from other states to fly to Alaska for an interview at a quarterly board meeting, and to take the jurisprudence exam at that time.

The target for FY03 is to implement the new examination schedules.

**Benchmark Comparisons:**

The frequency of exams in other large-area/ small-population states is unknown. The best measure of Alaska's progress is whether exam opportunities meet the needs of Alaskans.

**Background and Strategies:**

The division and its associated boards have made great progress in increasing the opportunities for applicants to take licensing examinations. Future improvements will come as national examinations are computerized and administered on demand.

**Measure:**

**The percentage of complaints per license classification.**

Sec 36(b)(3) Ch 124 SLA 2002(HB 515)

**Alaska's Target & Progress:**

The following chart shows the total number of license holders in each program on the last day of the fiscal year. The number of new investigations opened during that year, and the percentage of new cases in comparison to total licensees, are listed.

This information can easily be misinterpreted. If there are two hundred members of the profession and twenty new investigations, it does not mean that 10% of the professionals were investigated. Multiple cases may have been opened concerning a single license holder. Some of the cases may have been investigations of applicants to allow boards to make informed decisions about granting licenses. Some cases may have been opened in response to reports that an unlicensed person was performing work that requires a license.

The number of investigations opened is not equivalent to the number of complaints received by the division from members of the public. Although the majority of cases are opened in response to citizen complaints, the division also opens cases on its own initiative when inspections reveal violations of the law, when applications contain questionable information and when information reaches the division through other means. Furthermore, some programs have very low numbers of cases because their statutes provide few or no grounds for discipline of licensees.

The division target is to track complaint and discipline trends and report to licensing boards, members of the professions and the public, so they can determine whether changes in regulation of professions are warranted.

During FY02, the division cleaned up the data in its investigation database and researched options for improving or replacing its current computer program to generate more valuable reports. The division also added information to its website regarding actions taken against license holders. The public can submit a professional's name to the online search program and see if the person is licensed and if the division has taken license action against that person in the past decade.

This measure may have been created by the legislature to serve as an indicator of board and division achievement in identifying and licensing qualified applicants. If so, the number of licenses issued should be considered. The chart shows the number of new licenses issued each year as distinguished from renewed licenses.

BOARD/COMMISSION / PROGRAM:	FY 00			FY 01			FY 02		
	TOTAL LICENSEES	NEW CASES	CASES BY LICENSEES	TOTAL LICENSEES	NEW CASES	CASES BY LICENSEES	TOTAL LICENSEES	NEW CASES	CASES BY LICENSEES
Acupuncture	44	0	0.00%	50	6	12.00%	52	1	1.92%
Architects, Engineers, Land Surveyors	4,994	34	0.68%	5,395	22	0.41%	5,244	24	0.46%
Athletic Commission	134	0	0.00%	160	2	1.25%	186	2	1.08%
Audiology/Hear Aid Dirs/Speech Path.	71	3	4.23%	143	2	1.40%	173	2	1.16%
Barbers & Hairdressers	3,197	24	0.75%	3,619	25	0.69%	3,547	6	0.17%
Chiropractors	196	13	6.63%	186	32	17.20%	212	7	3.30%
Collection Agencies	259	4	1.54%	386	8	2.07%	321	7	2.18%
Concert Promoters	16	0	0.00%	7	0	0.00%	9	0	0.00%
Construction Contractors	6,109	10	0.16%	6,272	4	0.06%	6,434	6	0.09%
Dental	954	12	1.26%	1,080	14	1.30%	946	27	2.85%
Dietitians/Nutritionists	81	0	0.00%	106	0	0.00%	106	4	3.77%
Direct Entry Midwives	22	0	0.00%	21	2	9.52%	25	1	4.00%
Dispensing Opticians	103	2	1.94%	75	1	1.33%	103	4	3.88%
Electrical Administrators	668	2	0.30%	708	0	0.00%	649	3	0.46%
Geologists	517	0	0.00%	525	0	0.00%	537	0	0.00%
Guides	1,870	37	1.98%	2,262	23	1.02%	1,845	34	1.84%

Marine Pilots	85	1	1.18%	80	4	5.00%	84	1	1.19%
Marital & Family Therapy	124	1	0.81%	100	5	5.00%	103	1	0.97%
Mechanical Administrators	484	1	0.21%	521	1	0.19%	452	4	0.88%
Medical Mobile Home Dealers	2,535	169	6.67%	2,333	157	6.73%	2,627	118	4.49%
Mortuary Science	133	2	1.50%	104	1	0.96%	110	4	3.64%
Naturopaths	20	4	20.00%	23	1	4.35%	23	3	13.04%
Nursing	8,347	48	0.58%	7,464	38	0.51%	8,815	33	0.37%
Nursing Home Administrators	68	0	0.00%	55	2	3.64%	59	0	0.00%
Nurse Aides	1,902	48	2.52%	2,352	68	2.89%	1,956	32	1.64%
Optometry	112	5	4.46%	107	1	0.93%	110	1	0.91%
Pharmacy	1,072	4	0.37%	1,440	13	0.90%	1,787	35	1.96%
Physical/Occupational Therapy	535	6	1.12%	660	2	0.30%	754	3	0.40%
Professional Counselors	119	2	1.68%	327	16	4.89%	281	3	1.07%
Psychology	192	14	7.29%	170	11	6.47%	197	10	5.08%
Public Accountancy	854	21	2.46%	951	6	0.63%	1,163	6	0.52%
Real Estate	1,852	41	2.21%	1,955	35	1.79%	1,918	37	1.93%
Real Estate Appraisers	155	3	1.94%	126	6	4.76%	160	4	2.50%
Social Workers	197	5	2.54%	292	13	4.45%	369	8	2.17%
Storage Tank Workers	169	1	0.59%	179	0	0.00%	189	0	0.00%
Veterinary	323	6	1.86%	318	14	4.40%	348	15	4.31%
<b>Occupations Sub-Total:</b>	<b>38,513</b>	<b>523</b>		<b>40,552</b>	<b>535</b>		<b>41,894</b>	<b>446</b>	
Business Licensing	73,540	33	0.04%	73,617	0	0.00%	73,047	99	0.14%
Tobacco Endorsements	1,711	w/BL		1,717	w/BL		1,862	w/BL	
<b>Division Total:</b>	<b>112,053</b>	<b>556</b>		<b>114,169</b>	<b>535</b>		<b>114,941</b>	<b>545</b>	

**Benchmark Comparisons:**

The division does not have information on investigation rates in other states. The division is improving its own data so that useful comparisons can be made to other jurisdictions.

**Background and Strategies:**

An increase in the percentage of investigations per license holder in a particular profession does not necessarily indicate a decline in professional performance or customer satisfaction. Publicity and division resources to pursue cases encourage citizens to report incidents. Also, case loads increase when division investigators can be proactive by conducting inspections and engaging in community outreach. Finally, allegations of practice by individuals who do not have required licenses and investigations of applicants prior to licensure are included in case statistics.

**Occupational Licensing**  
**Component Financial Summary**

*All dollars in thousands*

	<b>FY2002 Actuals</b>	<b>FY2003 Authorized</b>	<b>FY2004 Governor</b>
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	3,859.8	4,311.4	4,362.0
72000 Travel	289.7	308.4	308.4
73000 Contractual	2,466.8	2,904.7	3,274.9
74000 Supplies	73.5	79.7	79.7
75000 Equipment	84.8	75.6	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
<b>Expenditure Totals</b>	<b>6,774.6</b>	<b>7,679.8</b>	<b>8,100.6</b>
<b>Funding Sources:</b>			
1005 General Fund/Program Receipts	542.0	0.0	0.0
1007 Inter-Agency Receipts	226.9	283.6	286.5
1040 Real Estate Surety Fund	124.9	253.0	253.7
1156 Receipt Supported Services	5,880.8	6,596.6	7,004.8
1175 Business License Receipts	0.0	546.6	555.6
<b>Funding Totals</b>	<b>6,774.6</b>	<b>7,679.8</b>	<b>8,100.6</b>

## Occupational Licensing

### Proposed Changes in Levels of Service for FY2004

**Criminal Background checks.** Regulations requiring criminal background checks on nurse and nurse aide applicants took effect in the Spring of FY02. The DPS performs this service for a fee of \$59 per applicant, and in the FY03 budget, the division requested and received a \$109,300 increment to pay DPS. The amount of that increment request was based on FY01 applicant data. However, the number of applicants has since increased significantly, and the increment received is insufficient. Based on FY02 data (3,256 applicants), in FY04 the division expects to pay DPS \$192,100. An increment in receipt supported services for the difference of \$82,800 is now needed.

**State Medical Board Investigations.** As of the beginning of FY 02 there were 220 ongoing medical investigations (open cases) being pursued. During that fiscal year 118 new cases were opened and 175 cases were closed. At the beginning of FY 03 the total number of open cases had been reduced to 163. Since then the number of new cases has exceeded those being closed -- 85 new to 64 closed. Consequently, there are now 184 open cases and the backlog is now to the point that only cases involving sex, drugs, and/or death are actively investigated. Lesser allegations such as excessive prescriptions, medical unresponsiveness, and patient uneasiness are not actively investigated. The division requests an increment in receipt supported services to help bring its backlog of medical investigations cases to closure.

### Summary of Component Budget Changes

#### From FY2003 Authorized to FY2004 Governor

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2003 Authorized</b>	<b>0.0</b>	<b>0.0</b>	<b>7,679.8</b>	<b>7,679.8</b>
<b>Adjustments which will continue current level of service:</b>				
-Annualize FY2003 COLA Increase for General Government and Supervisory Bargaining Units	0.0	0.0	44.7	44.7
-\$75 per Month Health Insurance Increase for Non-covered Staff	0.0	0.0	5.9	5.9
<b>Proposed budget increases:</b>				
-Legal Services	0.0	0.0	71.7	71.7
-Increases in various rate-based services	0.0	0.0	157.7	157.7
-Construction contractor RSA w/Dept of Labor increase	0.0	0.0	5.0	5.0
-Postage rate increase	0.0	0.0	13.0	13.0
-Criminal Background Checks	0.0	0.0	82.8	82.8
-State Medical Board Investigations	0.0	0.0	40.0	40.0
<b>FY2004 Governor</b>	<b>0.0</b>	<b>0.0</b>	<b>8,100.6</b>	<b>8,100.6</b>

**Occupational Licensing**  
**Personal Services Information**

	Authorized Positions		Personal Services Costs	
	<u>FY2003</u> <u>Authorized</u>	<u>FY2004</u> <u>Governor</u>		
Full-time	79	79	Annual Salaries	3,389,684
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	1,266,471
			<i>Less 6.32% Vacancy Factor</i>	(294,155)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>79</b>	<b>79</b>	<b>Total Personal Services</b>	<b>4,362,000</b>

**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 I	0	0	1	0	1
Administrative Clerk II	5	0	3	0	8
Administrative Clerk III	2	1	6	0	9
Administrative Coordinator	0	0	1	0	1
Administrative Manager II	0	0	1	0	1
Analyst/Programmer III	0	0	1	0	1
Analyst/Programmer IV	0	0	1	0	1
Division Director	0	0	1	0	1
Exec Sec Bd of Nursing	1	0	0	0	1
Exec Sec State Med Bd	1	0	0	0	1
Exec Secretary Rec	1	0	0	0	1
Health Program Associate	1	0	0	0	1
Hearing Examiner	1	0	0	0	1
Investigator I	1	0	0	0	1
Investigator III	16	0	0	0	16
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
Occ Lic Exam I	2	0	17	0	19
Paralegal II	0	0	1	0	1
Prog Coordinator	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	2	0	2
Regulations Spec II	0	0	1	0	1
Secretary	0	0	1	0	1
<b>Totals</b>	<b>37</b>	<b>1</b>	<b>41</b>	<b>0</b>	<b>79</b>