



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

**Department of Commerce, Community,
and Economic Development**

BIG GAME COMMERCIAL SERVICES BOARD

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October 31, 2016

The Honorable Kevin Meyer
Senate President
Alaska State Senate
716 West 4th Avenue, Suite 500
Anchorage, AK 99501

The Honorable Mike Chenault
Speaker of the House
Alaska State House of Representatives
145 Main Street Loop, Room 223
Kenai, AK 99611

Dear President Meyer and Speaker Chenault,

House Bill 254: Extend Big Game Commercial Services Board, contained a directive to the Big Game Commercial Services Board (BGCSB) to provide a written report outlining a detailed plan to achieve financial solvency by December 31, 2019. The BGCSB takes our obligation to retire our debt seriously and are committed to meeting our deadline.

In order to address our financial situation, we have increased licensing fees, adopted new fees, and instituted cost saving measures. These measures are outlined in greater detail below.

Revenue generating measures:

- Licensing fees for all license types were increased in 2015. Master guide licenses were increased by \$200 to \$850 (\$400 increase to \$1,700 for non-resident), assistant licenses were increased by \$50 to \$410 (\$100 increase to \$820 for non-resident), and transporter licenses were increased by \$200 to \$850 (\$400 increase to \$1,700 for non-resident).
- New fees were instituted in 2015 and revised in October 2016. The Division of Corporations, Business, and Professional Licensing (CBPL) worked with the board to institute an annual hunt record filing fee. That fee instituted additional assessments for active guides and transporters. The original hunt or transport record fee assessment was adopted as a \$50 per report filing fee. This fee was revised to be a \$300 annual fee in October of 2016. This fee is restricted to those actively contracting, as there is agreement among both guides and transporters that the burden of retiring the debt should fall to those currently in business. Changing the fee from a per-filing fee

to an annual fee dramatically decreases the amount of billable staff time invested in processing payments further decreasing board expenses.

The combination of fee increases and the establishment of new fees resulted in over a quarter of a million dollar increase in revenue generation from FY14 to FY16. Because licensing fees are collected on a biennium, FY15 figures are excluded from this comparison.

Cost saving measures:

- The BGCSB revised investigative priorities and procedures in cooperation with CBPL. Working with CBPL leadership and the CBPL investigative team, the BGCSB developed investigative processes that lead to greater board input into evaluating complaints and directing investigative resources. These improved procedures allow the BGCSB to better manage one of the major cost drivers for the program. CBPL continues to provide quarterly financial reports to the board which will empower the BGCSB to more actively monitor and manage expenses.
- Guidelines were developed and published to educate license holders, reducing the potential of future infractions for non-criminal regulations. This effort was an important companion to prioritizing investigations to avoid any negative impact on public protection or perceived relaxation of professional standards.
- The BGCSB has three meetings annually. In order to reduce the cost associated with holding the meetings, two of the meetings are held in state-owned venues, and the third meeting is held via teleconference.
- The BGCSB uses all volunteer proctors for testing applicants.

These cost saving measures have resulted in a nearly \$60,000 reduction in expenditures for FY16 compared to FY14.

The ending deficit of the board in FY14 was approximately \$839,000. The ending deficit of the board in FY16 was approximately \$593,000. Significant progress has already been made to bring the BGCSB into the black, and we will continue to monitor our debt reduction efforts annually and make any corrections needed to meet our deadline in coordination with CBPL and the Department of Commerce, Community, and Economic Development. Based on projections, the BGCSB should be operating in the black prior to December 31, 2019.

Our industry is engaged and willing to retire the debt as soon as possible. Please feel free to contact me if you have any additional questions regarding our path forward.

Sincerely,

A handwritten signature in black ink that reads "MF for Kelly Vrem". The signature is written in a cursive, somewhat informal style.

Kelly Vrem
Chairman