



THE STATE
of **ALASKA**

GOVERNOR BILL WALKER

Department of Commerce, Community, and Economic Development

DIVISION OF CORPORATIONS, BUSINESS AND
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Notice of Proposed Changes to Occupational Licensing Fees for Professions Regulated by the Board of Marital and Family Therapy

Proposed Fee Regulations - FAQ

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1. Why are new fees being proposed?

By law, fees must be analyzed annually and set to approximately recover the cost of program operations. Alaska's professional licensing statutes (AS 08.01.065) require the Division of Corporations, Business and Professional Licensing (CBPL) to "annually review each fee level to determine whether the regulatory costs of each occupation are approximately equal to fee collections related to that occupation." Alaska's licensing fee statutes go on to say, "If the review indicates that an occupation's fee collections and regulatory costs are not approximately equal, the department shall calculate fee adjustments and adopt regulations ... to implement the adjustments."

2. Why is the licensing program in deficit?

The program has been spending down its surplus for nearly a decade and because expenses outpace the revenues brought in through licensing fees the program is heading to a deficit position. When a program has low licensee numbers it can be expensive to maintain the costs of staff, a board, attorney support, enforcement, and the basic infrastructure of the duties in statute and regulation.

3. What are the proposed fees for licensure?

Fees proposed for the 2018-2020 licensing period are below. Fees in **bold and underlined** are proposed, [bracketed] amounts being changed.

The following fees are established for marital and family therapists and associates:

- (1) nonrefundable application fee for initial license, **\$500** [\$200];
- (2) license fee for all or part of the initial biennial license period, **\$1,250** [\$800];
- (3) biennial license renewal fee, **\$1,250** [\$800];
- (4) four-year associate license fee for supervised practice, **\$600** [\$500];
- (5) temporary license fee, **\$300** [\$200].

4. How are the estimated costs determined?

AS 08.01.065 requires *all costs* of regulating the profession to be borne by its licensees. The proposed fees are based on known and anticipated costs.

5. What do licensing fees pay for?

The agency must create, publish, and manage licensing application forms and fees, which entail adherence to the state's recordkeeping, security, payment, and refund policies and procedures.

- Requirement of licensees to meet professional fitness standards, which are evaluated by the license examiner and referred to the agency's investigative unit if necessary for further review.
- Enforcement of disciplinary sanctions available to the agency if a licensee violates the state licensing statutes or regulations or an individual practices the profession without a license. Because state law requires all costs of a licensing program to be borne by the licensees of that program (AS 08.01.065), any investigative, attorney, or appeal expenses of the state will be recovered in the licensing fee.
- Alaska statutes defer to the Board to adopt necessary regulations for management of the licensing program. This requires board and investigator travel, legal support, and other resources the board and division needs to comply with the expectations of law. The Alaska Administrative Code prescribes the requirements for public notice and adoption of agency regulations, the cost of which is borne by the licensing program.

6. Why the expenses for the MFT Board are so high in comparison to the other boards with many more licensees?

The costs to administer a program are complex and all costs to manage the program are borne by the licensees. Due to economy of scale, smaller programs with few licensees may require higher fees of their licensee. The Board of Marital and Family Therapy (MFT) has less than 100 licensees. The Board of MFT, the Board of Social Work Examiners (CSW) and the Board of Professional Counselors (PCO) all share similar costs associated with a five person board, and the staff time and costs related to board meetings. However, the CSW and PCO programs have far more licensee to spread those costs.

7. How all staff costs are billed or split to licensing boards including licensing boards that share professional staff?

The largest program expense is personal services and the division accurately tracks personal services through positive time keeping. Direct personal services include the licensing examiner, records and licensing supervisor, regulation specialist, and investigator time spent on the marital and family therapy program. Other direct expenses include, travel, some contractual, supply and equipment costs. Indirect expenses are services and expenses that are not directly attributable to a singular program or profession. Within the division, costs meeting this criterion are charged to one administrative code, then allocated by different methodologies among the professional programs. These types of costs include expenses shared across the

division or department including HR and payroll services, state-owned building rental, telephones, computer software, IT and all other expenses to keep the division running smoothly. Please see the CBPL Board Financial Guide attached for a thorough explanation of cost allocation methodologies.

8. Given that each licensing board must collect fees sufficient to offset program operation costs, how much revenue does the Department anticipate the fee increase will generate?

The proposed increases will generate approximately \$41,000 in additional revenue per biennium. Please see the fee analysis provided to the board on June 22, 2018 shown below:

Board of Marital and Family Therapy (MFT)										
Analysis last updated: 05/15/2018				Board unanimously voted in favor of fees proposed by Division						
Effective dates: 10/01/2018										
Presented to board:6/22/2018										
Fee Type	Current fee schedule			Proposed by board				Proposed by division		
	Current Fee	Projected Units	Projected Revenue	Fee Adjustment	Fee with Recommended Adjustment	Projected Revenue after Adjustment	% Change	Fee Adjustment	Fee with Recommended Adjustment	Projected Revenue after Adjustment
Initial Application	200	11	\$ 2,200	300	\$ 500	\$ 5,500	150%	300	\$ 500	\$ 5,500
New MFT license	800	11	8,800	450	1,250	13,750	56%	450	1,250	13,750
Renew MFT License *	800	72	57,600	450	1,250	90,000	56%	450	1,250	90,000
Associate License (Nonrenewable)	500	6	3,000	100	600	3,600	20%	100	600	3,600
Temporary License	200	-	-	100	300	-	50%	100	300	-
Centralized Fees	771	1	771		771	771			771	771
			\$ 72,371			\$ 113,621				\$ 113,621
Units based on 2017 renewal, per 12 AAC 02.030										
Beginning Cumulative Surplus must be from FY2016										
* Trends shows this program is not growing - existing licensees are used in forecast										

9. Does this revenue estimate include consideration that some current licensees may choose not to renew their MFT license due to the large increase in renewal fees?

Yes, the fee analysis does take attrition into consideration. Attrition was considered in the fee analysis.

10. What could potentially happen to the program if the licensing fee is not increased?

If the fees are not increased now they would require a very steep fee increase in the future. AS 08.01.065 require the Division of Corporations, Business and Professional Licensing (CBPL) review fee levels and "If the review indicates that an occupation's fee collections and regulatory costs are not approximately equal, the department shall calculate fee adjustments and adopt regulations".

11. When will this fee be effective?

After public comment deadline, comments received are compiled and given to the Division Director (Department) for consideration. The Division Director (Department) may adopt the regulation as written/publicly noticed, may amend and adopt them, or choose to take no action, or may withdraw the proposed regulations in part or in its whole. After Division/Department action, the adopted regulations goes to Department of Law (DOL) for final review/approval. DOL either approves or disapproves regulations. Once approved by DOL, it goes to the Lt. Governor for filing. Regulation takes effect on the 30th day after they have been filed by the Lt. Governor.

Do you have a question that is not answered here? Please email RegulationsAndPublicComment@alaska.gov so it can be added.