



July 19, 2016

Dear licensees and interested parties:

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.”

As licensed midwives are aware, the program has been struggling with a substantial deficit and its ability to cover operating expenses for many years. Fees have been increased, but the increases thus far have not been enough to cover biennial program expenses. This means the deficit is growing exponentially. The Division of Legislative Audit, as well as the Alaska State Legislature itself, has been outspoken of its criticism of fees not being set high enough to comply with the statutory requirements mentioned above.

The Board of Certified Direct-Entry Midwives recognizes the problem and the risks to the program if a serious effort is not made in addressing the deficit. The board has taken a courageous step in recommending to this division the implementation of a supplemental “deficit reduction fee” for those fully licensed as certified direct-entry midwives, in addition to a substantial increase in the licensing fees for all licensees.

The board’s attorneys reviewed the proposal of a “deficit reduction fee” outside of the licensing fee itself and found practical and legal complications to implementation of this type of fee. Therefore, it has been decided that the extra fee proposed and approved by the board will need to be merged into the regular licensing fees and then reevaluated annually until the program has resolved its deficit and the fee can be reduced.

Therefore, the license fee for a midwife licenses is proposed at \$4,700 per biennium. When separated to show the board’s intent as described above, \$2,700 of this amount is the license fee to cover the biennial expenses, and \$2,000 is the increase in license fee to cover deficit reduction.

With this increase over the next two licensing periods, here is the fiscal forecast based on these estimates:

| | CALCULATIONS BASED ON DIVISION'S PROPOSAL | | | |
|---|---|--------------------------|--------------------------|--------------------------|
| | FY2014/2015 Actuals | Projected FY2016/2017 | Projected FY2018/2019 | Projected FY2020/2021 |
| Revenues and Expenditures | | | | |
| Revenue | 71,000 | 250,885 | 250,885 | 250,885 |
| Expenses | (146,373) | | | |
| Adjustments | | | | |
| <i>Expenses adjusted for 2% biennial increase</i> | | (149,300) | (152,286) | (155,332) |
| <i>Fee adjustment for pro-rated renewal</i> | | (3,625) | (3,625) | (3,625) |
| Projected Net | (75,373) | 97,960 | 94,974 | 91,928 |
| Beginning Cumulative Surplus (Deficit) | (82,699) | (158,072) | (60,112) | 34,861 |
| Ending Cumulative Surplus (Deficit) | (158,072) | (60,112) | 34,861 | 126,789 |

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It is estimated that the program will be out of deficit after the FY2019 renewal cycle, and a fee analysis conducted at that time may determine that a fee reduction is fiscally warranted.

This fee proposal is entering a public comment period. The division encourages all licensees and interested parties to comment on this proposal through the division's Regulations Specialist, whose contact information is enclosed on the public notice. After the comment period closes and the division reviews all comments received, the division may adopt the regulation as drafted, may amend a proposed fee, or may withdraw the regulations in part or in its whole.

All comments received will be reviewed and taken into consideration prior to adopting the final regulations. The final decision will result in the fee to be implemented in time to be effective for the upcoming license renewal this fall.

Follow the instructions enclosed to make written comments during the public comment period. Comments must be addressed to Jun Maiquis, Regulations Specialist, PO Box 110806, Juneau, AK 99811 or regulationsandpubliccomment@alaska.gov.

Sincerely,



Janey Hovenden
Director

Encl.

**NOTICE OF PROPOSED CHANGES TO OCCUPATIONAL LICENSING FEES FOR
PROFESSIONS REGULATED BY THE BOARD OF CERTIFIED DIRECT-ENTRY
MIDWIVES IN THE REGULATIONS OF THE DEPARTMENT OF COMMERCE,
COMMUNITY, AND ECONOMIC DEVELOPMENT**

BRIEF DESCRIPTION: The Department of Commerce, Community, and Economic Development proposes to change occupational license fees charged to direct-entry midwives and apprentices.

The Department of Commerce, Community, and Economic Development (Department) proposes to adopt regulation changes in Title 12, Chapter 02 of the Alaska Administrative Code, dealing with occupational licensing fees for professions regulated by the Board of Certified Direct-Entry Midwives, including the following:

12 AAC 02.145, Board of Certified Direct-Entry Midwives, is proposed to be changed to alter the application, certification, permit, and renewal fees for direct-entry midwives and apprentices.

Under AS 08.01.065, the Department must establish fee levels so that the total amount of fees collected for an occupation approximately equals the actual regulatory costs for the occupation. The Department has reviewed the income and expenses for the occupational licensing program for the Board of Certified Direct-Entry Midwives and proposes fee changes that reflect, to the extent possible, the actual costs of the activities related to the program.

You may comment on the proposed regulation changes, including the potential costs to private persons of complying with the proposed changes, by submitting written comments to Jun Maiquis, Regulations Specialist, Division of Corporations, Business and Professional Licensing, P.O. Box 110806, Juneau, AK 99811-0806. Additionally, the Department will accept comments by facsimile at (907) 465-2974 and by electronic mail at regulationsandpubliccomment@alaska.gov. Comments may also be submitted through the Alaska Online Public Notice System by accessing this notice on the system at <http://notice.alaska.gov/182229>, and using the comment link. **The comments must be received not later than 5:00 p.m. on August 22, 2016.** Comments received after this deadline will not be considered by the Department.

You may submit written questions relevant to the proposed action to Jun Maiquis, Regulations Specialist, Division of Corporations, Business and Professional Licensing, P.O. Box 110806, Juneau, AK 99811-0806 or by e-mail at jun.maiquis@alaska.gov. **The questions must be received at least 10 days before the end of the public comment period.** The Department will aggregate its response to substantially similar questions and make the questions and responses available on the Board's website at <https://www.commerce.alaska.gov/web/cbpl/ProfessionalLicensing/Midwives.aspx> or on the Alaska Online Public Notice System. The Department may, but is not required to, answer written questions received after the 10-day cut-off date and before the end of the comment period.

If you are a person with a disability who needs a special accommodation in order to participate in this process, please contact Jun Maiquis at (907) 465-2537 or jun.maiquis@alaska.gov not later than August 15, 2016 to ensure that any necessary accommodations can be provided.

A copy of the proposed regulation changes is available on the Alaska Online Public Notice System and by contacting Jun Maiquis at (907) 465-2537 or jun.maiquis@alaska.gov, or go to <https://www.commerce.alaska.gov/web/portals/5/pub/MID-Fees-2016.pdf>.

After the public comment period ends, the Department will either adopt the proposed regulation changes or other provisions dealing with the same subject, without further notice, or decide to take no action. The language of the final regulation may be different from that of the proposed regulation. **You should comment during the time allowed if your interests could be affected.** Written comments and questions received are public records and are subject to public inspection.

Statutory Authority: AS 08.01.065; AS 08.65.100

Statutes Being Implemented, Interpreted, or Made Specific: AS 08.01.065; AS 08.65.100

Fiscal Information: The proposed regulation changes are not expected to require an increased appropriation.

DATE: 7/20/16

/s/
Jun Maiquis, Regulations Specialist
Division of Corporations, Business and
Professional Licensing

For each occupation regulated under the Division of Corporations, Business and Professional Licensing, the Division keeps a list of individuals or organizations who are interested in the regulations of that occupation. The Division automatically sends a Notice of Proposed Regulations to the parties on the appropriate list each time there is a proposed change in an occupation's regulations in Title 12 of the Alaska Administrative Code. If you would like your address added to or removed from such a list, send your request to the Division at the address above, giving your name, either your e-mail address or mailing address (as you prefer for receiving notices), and the occupational area in which you are interested.

ADDITIONAL REGULATION NOTICE INFORMATION
(AS 44.62.190(d))

- 1. Adopting agency:** Department of Commerce, Community, and Economic Development – Division of Corporations, Business and Professional Licensing.
- 2. General subject of regulation:** Occupational licensing fees.
- 3. Citation of regulation:** 12 AAC 02.145.
- 4. Department of Law file number:** To be assigned.
- 5. Reason for the proposed action:** Compliance with state statute.
- 6. Appropriation/Allocation:** Corporations, Business and Professional Licensing – #2360.
- 7. Estimated annual cost to comply with the proposed action to:**
A private person: Increase will range from \$125 to \$2,950 depending on type of license.
Another state agency: None known.
A municipality: None known.
- 8. Cost of implementation to the state agency and available funding (in thousands of dollars):**
No costs are expected in FY 2017 or in subsequent years.
- 9. The name of the contact person for the regulation:**
Sara Chambers, Division Operations Manager
Division of Corporations, Business and Professional Licensing
Department of Commerce, Community, and Economic Development
Telephone: (907) 465-2144
E-mail: sara.chambers@alaska.gov
- 10. The origin of the proposed action:** Division of Corporations, Business and Professional Licensing.
- 11. Date:** 7/20/16 **Prepared by:** /s/
Jun Maiquis
Regulations Specialist
(907) 465-2537

Chapter 02. General Occupational Licensing Functions.

(Words in **boldface and underlined** indicate language being added; words [CAPITALIZED AND BRACKETED] indicate language being deleted.)

12 AAC 02.145 is amended to read:

12 AAC 02.145. Board of Certified Direct-Entry Midwives. The following fees are established for direct-entry midwives and apprentices:

- (1) nonrefundable application fee for initial certification, **\$500** [\$250];
- (2) certification fee for all or part of the initial biennial certification period, **\$4,700** [\$1,750];
- (3) biennial certification renewal fee, **\$4,700** [\$1,750];
- (4) apprentice direct-entry midwife permit fee, **\$1,275** [\$825];
- (5) biennial apprentice direct-entry midwife permit renewal fee, **\$1,275** [\$825];
- (6) nonrefundable application fee for initial apprentice direct-entry midwife permit, **\$250** [\$125]. (Eff. 1/22/93, Register 125; am 10/29/94, Register 132; am 11/15/96, Register 140; am 5/5/99, Register 150; am 10/28/2000, Register 156; am 11/15/2002, Register 164; am 10/15/2004, Register 172; am 10/31/2008, Register 188; am 12/3/2010, Register 196; am 12/2/2012, Register 204; am 11/30/2014, Register 212; am ___/___/___, Register ___)

Authority: AS 08.01.065 AS 08.65.100