



August 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."

The Division has conducted a thorough fee analysis and has determined that fee increases are necessary to comply with the statute listed above, to retain the program's surplus position, and to continue to deliver the current level of service to the mortuary sciences licensing program. Program expenses have slowly been depleting the program's surplus for several years, and the program is now in a position to increase fees to prevent the complete depletion of the surplus. If fees are not raised at this time, the surplus will soon be gone, requiring fees to be increased even higher by the next license renewal cycle.

The proposed fee amounts are enclosed and can also be found on the program's web page at <https://www.commerce.alaska.gov/web/cbpl/ProfessionalLicensing/Morticians.aspx>. The following table reflects the projected revenue based on current fees and the fee adjustments as proposed by the Division:

Mortuary Science (MOR)							
Analysis last updated: 08/19/2016							
Effective dates: 10/01/2016							
Fee Type	Current fee schedule			Proposed by division			
	Current Fee	Projected Units	Projected Revenue	Fee Adjustment	Fee with Recommended Adjustment	Projected Revenue after Adjustment	% Change
Initial Application	100	20	\$ 2,000	50	\$ 150	\$ 3,000	50%
New License	225	20	4,500	50	275	5,500	22%
Renew License	225	162	36,450	50	275	44,550	22%
State Law Examination Fee **	60	12	720	40	100	1,200	67%
Disposal of Remains	50	6	300	25	75	450	50%
Trainee Initial Application	100	2	200	50	150	300	50%
Trainee New License	80	2	160	20	100	200	25%
Trainee Renewal License	80	5	400	20	100	500	25%
Centralized Fees	329	1	329		329	329	100%
			\$ 45,059			\$ 56,029	

The following table is a revenue and expenditure estimate comparison of the two scenarios. The first column assumes no fees changes are made and the second column is based on the Division's recommended fee increases.

Revenues and Expenditures	FY2012/2013 Actuals	CALCULATIONS BASED ON CURRENT FEES			CALCULATIONS BASED ON DIVISION'S PROPOSAL				
		FY2016/2016 Actuals	Projected FY2016/2016	Projected FY2018/2018	Projected FY2020/2020	FY2016/2016 Actuals	Projected FY2016/2016	Projected FY2018/2018	Projected FY2020/2020
Revenue	28,453	32,898	45,059	45,059	45,059	32,898	56,029	56,029	56,029
Expenses	(54,483)	(47,026)				(47,026)			
Adjustments									
Expenses adjusted for 2% biennial increase			(47,967)	(48,926)	(49,904)		(47,967)	(48,926)	(49,904)
Fee adjustment for pro-rated renewal			(688)	(688)	(688)		(688)	(688)	(688)
Projected Net		(14,128)	(3,595)	(4,554)	(5,533)	(14,128)	7,375	6,416	5,437
Beginning Cumulative Surplus (Deficit)		17,595	3,467	(128)	(4,682)	17,595	3,467	10,842	17,258
Ending Cumulative Surplus (Deficit)		3,467	(128)	(4,682)	(10,215)	3,467	10,842	17,258	22,695

As you can see from this table, the first column shows a future biennial "Projected Net" in deficit positions starting at the end of FY2016. The Division's recommendation reflects a "Projected Net" in a surplus

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position. The “keep current” scenario shows an Ending Cumulative deficit position at the end of FY2017 and the proposed changes by the Division reflects an Ending Cumulative surplus.

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 during this fall’s license renewal.

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
FUNERAL DIRECTORS, EMBALMERS, AND FUNERAL ESTABLISHMENTS 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 funeral directors, embalmers, and funeral establishments.

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 related to mortuary science, including the following:

12 AAC 02.260, Mortuary science, is proposed to be changed to alter the application, license, permit, examination, and renewal fees for funeral directors, embalmers, and funeral establishments.

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 mortuary science 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/182606>, and using the comment link. **The comments must be received not later than 5:00 p.m. on September 26, 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 Department's website at <https://www.commerce.alaska.gov/web/cbpl/ProfessionalLicensing/Morticians.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 September 19, 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/MOR-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 08.42.010

Statutes Being Implemented, Interpreted, or Made Specific: AS 08.01.065; AS 08.42.010

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 02.260 is amended to read:

12 AAC 02.260. Mortuary science. (a) A funeral director or embalmer license and a funeral establishment permit expires on December 31 of all even-numbered years. The following fees are established for funeral directors, embalmers, and funeral establishments:

- (1) nonrefundable application fee for initial license or permit, **\$150** [\$100];
- (2) license or permit fee for all or part of the initial license or permit period, **\$275** [\$225];
- (3) biennial license or permit renewal fee, **\$275** [\$225];
- (4) state law examination fee, **\$100** [\$60].

(b) The following fees are established for funeral director or embalmer trainee permits:

- (1) application fee for initial permit, **\$150** [\$100];
- (2) trainee permit issuance and renewal fee, **\$100** [\$80].

(c) Permit fee for disposal of human remains for compensation by a person not licensed under AS 08.42 is **\$75** [\$50]. (Eff. 9/27/86, Register 99; am 4/3/88, Register 105; am 10/1/88, Register 107; am 5/28/93, Register 126; am 10/29/94, Register 132; am 12/28/97, Register 144; am 11/27/98, Register 148; am 12/2/99, Register 152; am 10/28/2000, Register 156; am 12/16/2001, Register 160; am 11/15/2002, Register 164; am 10/15/2004, Register 172; am 6/17/2005, Register 174; am 6/22/2008, Register 186; am 12/12/2008, Register 188; am 12/9/2010, Register 196; am 11/30/2014, Register 212; am ___/___/___, Register ___)

Authority: AS 08.01.065 AS 08.42.010