



## Naturopathy Proposed Regulations - FAQ

December 2015

### 1. Where can I find the proposed regulation changes with regard to proposed fees?

The proposed fees are listed on page four of the following link:

<https://www.commerce.alaska.gov/web/Portals/5/pub/NAT-Fees-Notice-2015.pdf>

These proposed fees were also mailed to every naturopath licensee address on record and the program's interested party list, or by email to those interested parties who only provided an email address.

### 2. What is the breakdown of the operating deficit for the naturopath licensing program?

Here's a screenshot of our division's reporting page:

<https://www.commerce.alaska.gov/web/cbpl/AnnualPerformanceReports.aspx>

The reports in red circles will show the current and historical breakdown of the program's revenues and expenditures, which is the data that is guiding the decision to increase fees. The division is working to get the naturopath pages of these reports linked directly to the program's web page. Please note that this information is always online and the quarterly reports are updated as they are available after the end of each fiscal quarter:

The screenshot shows a web page titled "CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING ANNUAL REPORTS". The page content includes an introduction to the division's reporting responsibilities and a list of reports. Two links are circled in red: "Annual Professional Licensing Report to the Legislature, October 2015" and "Current Quarterly Professional Licensing Program Reports". The left sidebar contains navigation menus for "Division Sections", "Quick Links", and "Related Links".

Licensing programs must collect enough revenue to cover their expenses for the upcoming biennium, as well as cover any deficit the program may be carrying. For naturopaths, the potential licensing expenses for the biennium (in orange) are estimated at \$84,112. This is on top of the program’s deficit of \$125,739 (in yellow), bringing an estimated program liability to \$209,851. We are expecting the revenue from the new license fees to generate approximately \$87,000 over the next biennium, so it will take several licensing cycles for the program to cover its costs, assuming they stay the same.

Department of Commerce Community, and Economic Development  
Corporations, Business and Professional Licensing

Naturopaths  
Schedule of Revenues and Expenditures

	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY16 1st Qtr
Licensing Revenue	20,850	4,250	27,580	3,297	25,185	2,420	1,180
Allowable Third Party Reimbursement*	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>20,850</b>	<b>4,250</b>	<b>27,580</b>	<b>3,297</b>	<b>25,185</b>	<b>2,420</b>	<b>1,180</b>
<b>Direct Expenditures</b>							
Personal Services	6,403	2,601	9,547	8,126	12,890	3,480	1,812
Travel	-	-	-	-	-	-	-
Contractual	2	7,786	71,640	11,723	17,561	41,667	1
Supplies	10	-	13	-	-	-	-
Equipment	-	-	-	-	-	-	-
<b>Total Direct Expenditures</b>	<b>6,414</b>	<b>10,387</b>	<b>81,200</b>	<b>19,849</b>	<b>30,451</b>	<b>45,147</b>	<b>1,813</b>
<b>Indirect Expenditures**</b>	<b>2,101</b>	<b>2,497</b>	<b>3,344</b>	<b>3,627</b>	<b>4,937</b>	<b>3,579</b>	<b>895</b>
<b>Total Expenses</b>	<b>8,515</b>	<b>12,884</b>	<b>84,544</b>	<b>23,477</b>	<b>35,387</b>	<b>48,725</b>	<b>2,708</b>
<b>Annual Surplus (Deficit)</b>	<b>12,335</b>	<b>(8,634)</b>	<b>(56,964)</b>	<b>(20,180)</b>	<b>(10,202)</b>	<b>(46,305)</b>	<b>(1,528)</b>
<b>Beginning Cumulative Surplus (Deficit)</b>	<b>5,739</b>	<b>18,074</b>	<b>9,440</b>	<b>(47,524)</b>	<b>(67,704)</b>	<b>(77,906)</b>	<b>(124,212)</b>
<b>Ending Cumulative Surplus (Deficit)</b>	<b>18,074</b>	<b>9,440</b>	<b>(47,524)</b>	<b>(67,704)</b>	<b>(77,906)</b>	<b>(124,212)</b>	<b>(125,739)</b>

\*The allocation of the \$20,000 in allowable third party reimbursements will be completed at year-end

\*\* Current year indirect costs are based on the prior fiscal year's total budgeted amount. These costs are averaged over the current fiscal year, then adjusted after the close of the year.

**3. Can you explain in more detail what the contractual fees (\$30,451 and 45,725) are specifically for?**

The numbers you mention are the total direct expenditures for all activities associated with the licensing program, not specifically contractual expenses. These direct expenditures for this program include all personnel costs for licensing and investigations, as well as contractual expenses for attorney support and administrative hearings. Fees to recover these expenses are set in accordance with state law. AS 08.01.065 states that “the department shall 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 shall annually review each fee level to determine whether the regulatory costs of each occupation are approximately equal to fee collections related to that occupation. 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.” In this subsection of law, “regulatory costs” means costs of the department that are attributable to regulation of an occupation, plus board expenses, which do not apply to this profession.

**4. Looking at your annual report on revenue and expenditures for all professional licenses, I noted that many professions were in the deficit in the hundreds of thousands. Are these professions’ licenses increasing three fold as ours is?**

The division is setting fees according to AS 08.01.065, which means that many programs are experiencing fee changes. Currently, there are 13 licensing programs in deficit and their fees are

increasing. The Board of Certified Direct-Entry Midwives is paying the highest licensing fee at \$1,750 each biennium. Their fees have increased each renewal period over the last eight years. The Big Game Commercial Services Board has the largest deficit at over a million dollars. Their fees have increased in both 2013 and 2015. Naturopath fees have not increased in over ten years.

Do you have a question that is not answered here? Please email [marilyn.zimmerman@alaska.gov](mailto:marilyn.zimmerman@alaska.gov) so it can be added.