



January 2, 2018

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 naturopaths are aware, the Naturopathy program has been struggling with a substantial deficit and its ability to cover operating expenses for many years. Fees were increased in FY2016, but the increase thus far has not been enough to cover biennial program expenses. This means the deficit is continuing to grow despite the last fee increase. 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.

With legal and investigative costs remaining high, the total biennial expenses remain substantially higher than biennial revenues as shown in the spreadsheet below. In addition, the carryforward deficit must also be retired. FY2017 ending balance was \$153,214 in deficit. Due to these circumstances, the fee for a naturopath license is being proposed at \$1,800 per biennium.

Below is a comparison of calculations based on the Division’s proposed increase in fees, along with comparative fiscal forecasts using these estimates:

Revenues and Expenditures	CALCULATIONS BASED ON CURRENT FEES					CALCULATIONS BASED ON DIVISION'S PROPOSAL			
	FY2016/2017 Actuals	FY2016/2017 Actuals	Projected FY2016/2018	Projected FY2016/2021	Projected FY2016/2023	FY2016/2017 Actuals	Projected FY2016/2018	Projected FY2016/2021	Projected FY2016/2023
Revenue	27,605	63,975	72,040	72,040	72,040	63,975	106,240	106,240	106,240
Expenses	(84,114)	(92,977)				(92,977)			
Adjustments									
Expenses adjusted for 2% biennial increase			(94,837)	(72,600)	(74,052)		(94,837)	(72,600)	(74,052)
Fee adjustment for pro-rated renewal			(2,700)	(2,700)	(2,700)		(2,700)	(2,700)	(2,700)
Projected Net		(29,002)	(25,497)	(3,260)	(4,712)	(29,002)	8,703	30,940	29,488
Beginning Cumulative Surplus (Deficit)		(124,212)	(153,214)	(178,711)	(181,971)	(124,212)	(153,214)	(144,511)	(113,571)
Ending Cumulative Surplus (Deficit)		(153,214)	(178,711)	(181,971)	(186,682)	(153,214)	(144,511)	(113,571)	(84,082)

Should costs to this program reduce over time, a future fee analysis may determine that a fee reduction is 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 and 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 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 March.

Naturopathy Program Licensees  
January 2, 2018  
Page Two

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](mailto:regulationsandpubliccomment@alaska.gov).

Sincerely,

A handwritten signature in cursive script, appearing to read "Janey McCullough". The signature is written in black ink on a light-colored background.

Janey McCullough  
Director

Encl.

**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 02.270 is amended to read:

**12 AAC 02.270. Naturopaths.** The following fees are established for naturopaths:

- (1) nonrefundable application fee for initial license, \$500;
- (2) license fee for all or part of the initial biennial license period, **\$1,800** [\$1,200];
- (3) biennial license renewal fee, **\$1,800** [\$1,200];
- (4) temporary license fee, \$500;
- (5) repealed 10/28/2000. (Eff. 9/27/86, Register 99; am 10/1/88, Register 107;

am 5/28/93, Register 126; am 7/28/94, Register 131; am 3/23/96, Register 137; am 3/12/98, Register 145; am 10/28/2000, Register 156; am 3/24/2006, Register 177; am 3/9/2008, Register 185; am 3/17/2016, Register 217; am \_\_\_\_/\_\_\_\_/\_\_\_\_\_, Register \_\_\_\_\_)

**Authority:** AS 08.01.065            AS 08.45.030            AS 08.45.100  
AS 08.45.020            AS 08.45.035