



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Commerce, Community,
and Economic Development

DIVISION OF CORPORATIONS, BUSINESS AND
PROFESSIONAL LICENSING

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July 22, 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 bring the program out of deficit, and to continue to deliver the current level of service to the veterinary licensing program. Program expenses have slowly been depleting this surplus for several years, and the program is now in a deficit position at the end of FY2016 (06/30/2016). The Board of Veterinary Examiners reviewed the fee analysis at its June 3, 2016, meeting and again during a teleconference on July 8. The board recommended fee changes that are significantly lower than what the Division recommended and which do not come close to meeting the program's annual expenses. If fees are not raised at this time to at least meet its annual expenses, the deficit will continue to grow exponentially, creating the necessity of increasing all the fees much more severely in the future and raising legislative scrutiny of the efficacy of this board.

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

Board of Veterinary Examiners (VET)											
Analysis last updated: 06/10/2016											
Effective dates: 09/01/2016											
Presented to board: 6/03/2016											
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	% Change
Application Fee - Veterinary License by Exam	250	14	\$ 3,500		\$ 250	\$ 3,500	0%		\$ 250	\$ 3,500	0%
Application Fee - Veterinary License by Credentials	250	26	6,500		\$ 250	\$ 6,500	0%		\$ 250	\$ 6,500	0%
Application Fee - Veterinary Technician	50	104	5,200	15	65	6,760	30%	75	125	13,000	150%
Application Fee - Courtesy License	50	110	5,500	15	65	7,150	30%	75	125	13,750	150%
Application Fee - Student Permit	50	4	200		50	200	0%	75	125	500	150%
Exam Fee - Veterinarian	150	14	2,100		150	2,100	0%	50	200	2,800	33%
Temporary License Fee	75	0	-		75	-	0%	50	125	-	67%
Temporary Permit Fee	75	8	600	25	100	800	33%	50	125	1,000	67%
Courtesy License	75	110	8,250	25	100	11,000	33%	50	125	13,750	67%
New Veterinarian License	300	30	9,000		300	9,000	0%	200	500	15,000	67%
Renew Veterinarian License	300	404	121,200	100	400	161,600	33%	200	500	202,000	67%
New Veterinary Technician License	50	104	5,200		50	5,200	0%	50	100	10,400	100%
Renew Veterinary Technician License	50	333	16,650	25	75	24,975	50%	50	100	33,300	100%
Delayed Renewal - Veterinarian (>60 days-ear yr)	100	0	-	50	150	-	50%	50	150	-	50%
Delayed Renewal - Veterinary Tech (>60 days-ear yr)	30	0	-	25	55	-	83%	45	75	-	150%
Centralized Fees	1,797	1	1,797		1,797	1,797			1,797	1,797	
			\$ 185,637			\$ 240,582				\$ 317,297	

The veterinarian fees have fluctuated every biennium since 2007 when they were \$490. In FY2009, they were reduced to \$325 and in FY2011 they were raised to \$375, and then were reduced again in FY2013 to \$300. Veterinary technician fees have remained more stable, realizing a slight increase in FY2011 from \$60 to \$65 and reduced to \$50 in FY2013 where they have remained.

The below table is a revenue and expenditure comparison of three scenarios. The first column assumes no fees changes are made, the second column is based on the Board's recommendation, and the third and final column is based on the Division's fee increases.

	CALCULATIONS BASED ON CURRENT FEES				CALCULATIONS BASED ON BOARD'S PROPOSAL				CALCULATIONS BASED ON DIVISION'S PROPOSAL			
	FY2016/2018 Actual	Projected FY2018/2019	Projected FY2019/2020	Projected FY2020/2021	FY2016/2018 Actual	Projected FY2018/2019	Projected FY2019/2020	Projected FY2020/2021	FY2016/2018 Actual	Projected FY2018/2019	Projected FY2019/2020	Projected FY2020/2021
Revenues and Expenditures												
Revenue	179,745	185,697	185,697	185,697	179,745	240,582	240,582	240,582	179,745	317,297	317,297	317,297
Expenses	(265,838)				(265,838)				(265,838)			
Adjustments												
Expenses adjusted for 2% biennial increase		(271,855)	(276,578)	(282,109)		(271,855)	(276,578)	(282,109)		(271,855)	(276,578)	(282,109)
Fee adjustment for pro-rated renewal		(15,900)	(15,900)	(15,900)		(15,900)	(15,900)	(15,900)		(15,900)	(15,900)	(15,900)
Projected Net	(86,093)	(101,357)	(106,780)	(112,312)	(86,093)	(46,472)	(51,895)	(57,427)	(86,093)	30,243	24,820	19,288
Beginning Cumulative Surplus (Deficit)	108,829	22,736	(78,621)	(185,402)	108,829	22,736	(23,736)	(75,632)	108,829	22,736	52,979	77,798
Ending Cumulative Surplus (Deficit)	22,736	(78,621)	(185,402)	(297,714)	22,736	(23,736)	(75,632)	(133,059)	22,736	52,979	77,798	97,086

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.

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 02.350 is amended to read:

12 AAC 02.350. Board of Veterinary Examiners. The following fees are established for veterinarians and veterinary technicians:

- (1) nonrefundable application fee for
 - (A) initial veterinarian license by examination, \$250;
 - (B) initial veterinary technician license, **\$125** [\$50];
 - (C) courtesy license, **\$125** [\$50];
 - (D) student permit, **\$125** [\$50];
- (2) state written examination fee for veterinarians, **\$200** [\$150];
- (3) **repealed** / / [EXAMINATION FEE FOR VETERINARY
TECHNICIANS, \$220];
- (4) license fee for veterinarians for all or part of the initial biennial license period, **\$500** [\$300];
- (5) biennial license renewal fee for veterinarians, **\$500** [\$300];
- (6) temporary license fee, **\$125** [\$75];
- (7) temporary permit fee, **\$125** [\$75];
- (8) registration fee for veterinary technicians for all or part of the initial biennial
registration period, **\$100** [\$50];
- (9) biennial registration renewal fee for veterinary technicians, **\$100** [\$50];
- (10) courtesy license fee, **\$125** [\$75];

(11) nonrefundable application and investigation fee for veterinarian license by credentials under AS 08.98.184, \$250;

(12) delayed renewal penalty fee for a veterinarian license that has lapsed more than 60 days and for each year the license has been lapsed, **\$150** [\$100];

(13) delayed renewal penalty fee for a veterinary technician license that has lapsed more than 60 days and for each year the license has been lapsed, **\$75** [\$30]. (Eff. 11/20/86, Register 100; am 10/1/88, Register 107; am 5/20/92, Register 122; am 10/21/92, Register 124; am 9/5/93, Register 127; am 10/29/94, Register 132; am 4/20/96, Register 138; am 11/15/96, Register 140; am 4/19/97, Register 142; am 12/28/97, Register 144; am 11/27/98, Register 148; am 8/10/2000, Register 155; am 11/24/2000, Register 156; am 6/17/2001, Register 158; am 3/25/2004, Register 169; am 10/15/2004, Register 172; am 11/18/2006, Register 180; am 6/22/2008, Register 186; am 12/12/2008, Register 188; am 6/7/2009, Register 190; am 9/19/2009, Register 191; am 12/4/2010, Register 196; am 12/2/2012, Register 204; am ____/____/____, Register ____)

Authority: AS 08.01.062 AS 08.01.100 AS 08.98.190

AS 08.01.065