



July 27, 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 marital and family therapy 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.

The Board of Marital and Family Therapy reviewed the fee analysis at its July 20, 2016, meeting and recommended a much lower fee increase to license holders than what the Division recommended. Neither recommendation comes close to meeting the program’s annual expenses; however, the Division’s recommendation utilizes the surplus to cover these costs at a much slower pace. 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 and raising legislative scrutiny of the efficacy of this board.

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

Board of Marital and Family Therapy (MFT)											
Analysis last updated: 08/10/2016											
Effective dates: 09/01/2016											
Presented to board: 07/20/2016											
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
Initial Application	175	24	\$ 4,200	25	\$ 200	\$ 4,800	14%	25	\$ 200	\$ 4,800	14%
New MFT License	665	14	9,310	35	700	9,800	5%	135	800	11,200	20%
Renew MFT License	665	90	59,850	35	700	63,000	5%	135	800	72,000	20%
Nonrenewable Associate License	445	8	3,560	55	500	4,000	12%	55	500	4,000	12%
Temporary License	100	4	400	100	200	800	100%	100	200	800	100%
Centralized Fees	731	1	731		731	731			731	731	
			\$ 78,051			\$ 83,131				\$ 93,531	

The marital and family therapy fees remained steady until FY2011 when the therapist’s license fee was raised from \$775 to \$865 and the associate’s license fee was raised from \$415 to \$445. In FY2013, therapist’s license fees decreased from \$865 to \$665.

The following 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 recommended fee increases.

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Revenues and Expenditures	CALCULATIONS BASED ON CURRENT FEES					CALCULATIONS BASED ON BOARD'S PROPOSAL				CALCULATIONS BASED ON DIVISION'S PROPOSAL			
	F12012/2017 Actuals	F12014/2016 Actuals	Projected F12018/2017	Projected F12018/2018	Projected F12020/2021	F12014/2016 Actuals	Projected F12018/2017	Projected F12018/2018	Projected F12020/2021	F12014/2016 Actuals	Projected F12018/2017	Projected F12018/2018	Projected F12020/2021
Revenue	63,165	73,063	78,051	78,051	78,051	73,063	83,131	83,131	83,131	73,063	93,531	93,531	93,531
Expenses	(85,187)	(107,866)				(107,866)				(107,866)			
Adjustments													
Expenses adjusted for 2% biennial increase			(110,023)	(112,224)	(114,468)		(110,023)	(112,224)	(114,468)		(110,023)	(112,224)	(114,468)
Fee adjustment for pro-rated renewal			(2,350)	(2,350)	(2,350)		(2,350)	(2,350)	(2,350)		(2,350)	(2,350)	(2,350)
Projected Net		(34,803)	(34,323)	(36,523)	(38,768)	(34,803)	(29,243)	(31,443)	(33,688)	(34,803)	(18,843)	(21,043)	(23,288)
Beginning Cumulative Surplus (Deficit)		112,195	77,392	43,069	6,546	112,195	77,392	48,149	16,706	112,195	77,392	58,549	37,506
Ending Cumulative Surplus (Deficit)		77,392	43,069	6,546	(32,221)	77,392	48,149	16,706	(16,981)	77,392	58,549	37,506	14,219

As you can see from this table, the first column shows a future biennial “Projected Net” average deficit of (\$36,538), the second column reflects an average deficit of (\$31,458), and the final column reflects an average deficit of (\$21,058). The Division’s recommendation still does not cover the program’s biennial expenses and continues to spend down the surplus, but at a slower pace. This provides an opportunity to reduce expenditures where possible to meet the revenue shortfall. Fees are reviewed annually and adjustments will be made as required to comply with AS 08.01.065.

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 02.242 is amended to read:

12 AAC 02.242. Board of Marital and Family Therapy. The following fees are established for marital and family therapists and associates:

- (1) nonrefundable application fee for initial license, **\$200** [\$175];
- (2) license fee for all or part of the initial biennial license period, **\$800** [\$665];
- (3) biennial license renewal fee, **\$800** [\$665];
- (4) four-year associate license fee for supervised practice, **\$500** [\$445];
- (5) temporary license fee, **\$200** [\$100]. (Eff. 6/4/93, Register 126; am 10/1/93,

Register 127; am 10/29/94, Register 132; am 11/15/96, Register 140; am 11/27/98, Register 148; am 12/16/2001, Register 160; am 12/9/2010, Register 196; am 12/2/2012, Register 204; am ___/___/___, Register ____)

Authority: AS 08.01.065 AS 08.63.110 AS 08.63.140
AS 08.63.100 AS 08.63.130