



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 26, 2016

Dear licensees and interested parties:

Let me begin by acknowledging that the timing of this letter is less than ideal, given that field seasons have begun. With various hearings and legal review, it was unavoidable, and it is still necessary to proceed.

Alaska's professional licensing statutes (AS 08.01.065) require our Division (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." 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 guides and transporters are aware, the program has been struggling with a substantial deficit and its ability to cover operating expenses for many years. License fees have been increased and new fees implemented. In November 2015, a hunt record and transporter activity report (HR/TAR) filing fee became effective. However, larger transporters raised concerns about the thousands of dollars this reporting fee would cost their businesses. This debate unfolded as both the Division of Legislative Audit and the Legislature voiced concerns that fees for this program are not being set high enough to comply with the statutory requirements mentioned above.

This spring, HB 254 passed and extended the termination date of the Big Game Commercial Services Board to June 30, 2019. It is currently awaiting transmission to the Governor. It requires the Board to submit to the legislature a written report that details the plan to be financially solvent by December 31, 2019. That report is due no later than October 31, 2016. Thus, action is needed now.

The Big Game Commercial Services Board clearly recognizes the problems and the risks to the program if a serious effort is not made in addressing the deficit. **The board has held numerous meetings to work out a fair and equitable alternative to the HR/TAR report filing fee**, taking a courageous step in recommending to this division the implementation of a supplemental "deficit reduction" fee for transporters, registered guides, and master guides. We appreciate this proactive and collaborative process.

The board's attorneys reviewed the proposal of a "deficit reduction" fee outside of the licensing fee itself and found practical and legal complications to implementation of this type of fee. However, the board's recommendation is sound, and my analysis supports the concepts within their proposal. **Therefore, we propose to abolish the per-form fee for HRs/TARs and establish an annual flat HR/TAR reporting fee. This proposal is substantially similar to the one proposed by the board in early July.** The fee will be the same for all guides and transporters who are actively contracting, while making filing more convenient by requiring the fee be paid only once a year.

The new annual HR/TAR reporting fee is proposed at \$300 for those licensees required to submit these forms to the Division's database. This flat fee shall be paid by December 31 prior to the calendar year in which hunt records or transporters activity report will be filed. 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/BigGameCommercialServicesBoard.aspx>.

The attached table reflects the projected revenue based on fee adjustments as proposed by the board and by the division.

With this fee alteration over the next two licensing periods, here is the fiscal forecast based on these estimates:

<i>Revenues and Expenditures</i>	<i>FY2014/FY2015 Actuals</i>	<i>Projected FY2016/2017</i>	<i>Projected FY2018/2019</i>	<i>Projected FY2020/2021</i>
Revenue	989,098	1,747,881	1,747,881	1,747,881
Expenses	(1,067,881)			
Adjustments				
<i>Expenses adjusted for 2% biennial increase</i>		<i>(1,089,239)</i>	<i>(1,111,023)</i>	<i>(1,133,244)</i>
<i>Fee adjustment for pro-rated renewal</i>		<i>(23,115)</i>	<i>(23,115)</i>	<i>(23,115)</i>
Projected Net	(78,783)	635,527	613,743	591,522
Beginning Cumulative Surplus (Deficit)	(1,041,267)	(1,120,050)	(484,523)	129,220
Ending Cumulative Surplus (Deficit)	(1,120,050)	(484,523)	129,220	720,742

If all factors remain the same, it is estimated that the program will be out of deficit after the FY2019 renewal cycle, and a fee analysis conducted at that time may determine that a fee reduction is fiscally warranted.

The Division works closely with boards on setting fees for their programs and serious consideration is given to board recommendations. However, it is ultimately the division statutory authority to set fees in accordance with AS 08.01.065.

The fee proposal now enters a public comment period. We encourage all licensees and interested parties to comment on this proposal through the division's Regulations Specialist, whose contact information is enclosed in 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. The final decision will result in the fee to be implemented 30 days after it is filed with the Lt. Governor's office this fall.

Follow the instructions enclosed to make written comments during the public comment period. Please address comments to Jun Maiquis, Regulations Specialist, PO Box 110806, Juneau, AK 99811 or RegulationsAndPublicComment@alaska.gov.

Sincerely,



Janey Hovenden, Director

Encl.

Big Game Commercial Services

Analysis last updated: 07/06/2016

Effective dates: 10/15/2016

Presented to board: 7/06/2016

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	200	320	\$ 64,000	-	200	\$ 64,000	0%	-	200	\$ 64,000	0%
Guide Exam or Retake	125	36	4,500	-	125	4,500	0%	-	125	4,500	0%
Game Management Exam	400	88	35,200	-	400	35,200	0%	-	400	35,200	0%
Hunt Record or Transporter Activity Report Filing**	50	7946	397,300	(50)	-	-	-100%	(50)	-	-	-100%
Transporter Use Area Registration*	-	481	-	-	-	-	0%	-	-	-	0%
Annual HW/TAR Reporting Fee	-	752	-	-	-	-	0%	300	300	225,600	300%
Guide Use Area Registration*	100	662	66,200	-	100	66,200	0%	-	100	66,200	0%
New Master Guide (Resident)	850	10	8,500	-	850	8,500	0%	-	850	8,500	0%
New Master Guide (Non-Resident)	1,700	0	-	-	1,700	-	0%	-	1,700	-	0%
Renew Master Guide (Resident)	850	118	100,300	-	850	100,300	0%	-	850	100,300	0%
Renew Master Guide (Non-Resident)	1,700	11	18,700	-	1,700	18,700	0%	-	1,700	18,700	0%
New Registered Guide (Resident)	850	26	22,100	-	850	22,100	0%	-	850	22,100	0%
New Registered Guide (Non-Resident)	1,700	0	-	-	1,700	-	0%	-	1,700	-	0%
Renew Registered Guide (Resident)	850	360	306,000	-	850	306,000	0%	-	850	306,000	0%
Renew Registered Guide (Non-Resident)	1,700	62	105,400	-	1,700	105,400	0%	-	1,700	105,400	0%
New Class-A Asst Guide (Resident)	410	14	5,740	-	410	5,740	0%	-	410	5,740	0%
New Class-A Asst Guide (Non-Resident)	820	2	1,640	-	820	1,640	0%	-	820	1,640	0%
Renew Class-A Asst Guide (Resident)	410	95	38,950	-	410	38,950	0%	-	410	38,950	0%
Renew Class-A Asst Guide (Non-Resident)	820	12	9,840	-	820	9,840	0%	-	820	9,840	0%
New Assistant Guide (Resident)	410	112	45,920	-	410	45,920	0%	-	410	45,920	0%
New Assistant Guide (Non-Resident)	820	64	52,480	-	820	52,480	0%	-	820	52,480	0%
Renew Assistant Guide (Resident)	410	461	189,010	-	410	189,010	0%	-	410	189,010	0%
Renew Assistant Guide (Non-Resident)	820	338	277,160	-	820	277,160	0%	-	820	277,160	0%
New Transporter (Resident)	850	28	23,800	-	850	23,800	0%	-	850	23,800	0%
New Transporter (Non-Resident)	1,700	2	3,400	-	1,700	3,400	0%	-	1,700	3,400	0%
Renew Transporter (Resident)	850	147	124,950	-	850	124,950	0%	-	850	124,950	0%
Renew Transporter (Non-Resident)	1,700	4	6,800	-	1,700	6,800	0%	-	1,700	6,800	0%
Exam Prep Packet	100	0	-	-	100	-	0%	-	100	-	0%
Retired Master/Reg Guides	300	6	1,800	-	300	1,800	0%	-	300	1,800	0%
Retired Class-A Asst Guides	175	0	-	-	175	-	0%	-	175	-	0%
Deficit Reduction Fee***	-	376	-	550	550	206,800	550%	-	-	-	0%
Centralized Fees	9,891	1	9,891	-	9,891	9,891	-	-	9,891	9,891	-
			\$ 1,919,581			\$ 1,729,081				\$ 1,747,881	