# Report Highlights

# Why DLA Performed This Audit

This audit was performed to determine if there is a continued need for the board and if its termination date should be extended. The board is set to sunset on June 30, 2026, and will have one year from that date to conclude its administrative operations.

# What the Legislative Auditor Recommends

- 1. The Office of the Governor, Boards and Commissions director should take steps to ensure board seats are filled in a timely manner.
- 2. The Division of Administrative Services director should establish procedures to ensure fee requests are submitted timely for review and approval.

# A Sunset Review of the Department of Commerce, Community, and Economic Development, Board of Professional Counselors (board)

April 16, 2025

Audit Control Number 08-20144-25

#### REPORT CONCLUSIONS

The board served the public's interest by generally conducting meetings in an effective manner, actively amending regulations, and effectively licensing professional counselors. The audit also concluded that one board position had been vacant for an extended period and license fees were not sufficient to cover the profession's regulatory cost.

In accordance with AS 08.03.010(c)(6), the board is scheduled to terminate on June 30, 2026. We recommend that the legislature extend the board's termination date six years to June 30, 2032, which is two years less than the maximum allowed by statute. The reduced extension reflects the need for more timely legislative oversight in light of the audit conclusions and recommendations.

# ALASKA STATE LEGISLATURE





May 6, 2025

Members of the Legislative Budget and Audit Committee:

In accordance with the provisions of Title 24 and Title 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities of the Board of Professional Counselors, and the attached report is submitted for your review.

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT BOARD OF PROFESSIONAL COUNSELORS SUNSET REVIEW

April 16, 2025

Audit Control Number 08-20144-25

The audit was conducted as required by AS 44.66.050(a). Per AS 08.03.010(c)(6), the Board of Professional Counselors is scheduled to terminate on June 30, 2026. We recommend that the Legislature extend the board's termination date six years to June 30, 2032.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Fieldwork procedures utilized in the course of developing the findings and recommendations presented in this report are discussed in the Objectives, Scope, and Methodology.

Kris Curtis, CPA, CISA

Legislative Auditor

#### **ABBREVIATIONS**

AAC Alaska Administrative Code

ACN Audit Control Number

AS Alaska Statute

board Board of Professional Counselors

CISA Certified Information Systems Auditor

CPA Certified Public Accountant

DCBPL Division of Corporations, Business and Professional

Licensing

DLA Division of Legislative Audit

FY Fiscal Year

OMB Office of Management and Budget

# **CONTENTS**

Report Sections	Organization and Function	1
	Report Conclusions	3
	Findings and Recommendations	9
	Objectives, Scope, and Methodology	11
Agency Responses	Office of the Governor	21
	Department of Commerce, Community, and Economic Development	23
	Board of Professional Counselors	25
Appendices	Appendices Summary	15
	Appendix A: Analysis of Public Need Criteria	17
	Appendix B: Governor's Chief of Staff December 5, 2023 Memo	19
Exhibits	Exhibit 1: Board of Professional Counselors, Members as	
	of March 31, 2025	1
	Exhibit 2: Board of Professional Counselors, License and Certification Activity, FY 22 through January 31, 2025	5
	Exhibit 3: Board of Professional Counselors, Schedule of Revenues and Expenditures, FY 22 through January 31, 2025	7
	Exhibit 4: Board of Professional Counselors, License and Certification Fees, FY 22 through January 31, 2025	8

vi

# ORGANIZATION AND FUNCTION

### **Board of Professional Counselors (board)**

The board is a regulatory board consisting of five members appointed by the governor including one public member and four licensed professional counselors. Alaska statutes require at least one counselor board member be employed in the private sector and at least one be employed in the public sector. Exhibit 1 shows the board members as of March 2025.

The board regulates professional counseling in the state. Specifically, per AS 08.29.020, the duties of the board include:

#### **Exhibit 1**

Board of Professional Counselors Members as of March 31, 2025

Crystal Herring, Chair Licensed Professional Counselor

Mary Elkins Licensed Professional Counselor

Carrie-Elaine Border Licensed Professional Counselor

Ashley Martin Licensed Professional Counselor

> Vacant Public Member

Source: Office of the Governor, Boards and Commissions.

- 1. licensing professional counselors, establishing criteria for supervisor certification, and certifying counselor supervisors. The board may also provide for licensure in areas of counseling specialization.
- 2. establishing continuing education requirements for license renewal.
- 3. adopting a code of ethics.
- 4. establishing education and training requirements that must be met before a professional counselor can administer and use assessment instruments described in AS 08.29.490(1)(C).
- 5. enforcing statutory provisions and adopting regulations necessary to carry out the board's duties.

Department of Commerce, Community, and Economic Development's Division of Corporations, Business and Professional Licensing (DCBPL)

DCBPL staff provide administrative and investigative assistance to the board. Administrative assistance includes budgetary services and functions, such as collecting fees, maintaining files, receiving application forms, publishing notices for meetings and examinations, and assisting with board regulations.

Alaska Statute 08.01.087 gives DCBPL authority to act on its own initiative or in response to a complaint. DCBPL may:

- 1. Conduct an investigation to determine whether a person has violated a law.
- 2. Bring an action in Superior Court to enjoin the act.
- 3. Examine or have examined the books and records of a person whose business activities require a business license or licensure by a board listed in AS 08.01.010, or whose occupation is listed in AS 08.01.010.
- 4. Issue subpoenas for the attendance of witnesses and the production of records.

Alaska Statute 08.01.065 requires the department to adopt regulations that establish the amount and manner of payment of application, examination, license, investigation, registration, and other fees as appropriate.

# REPORT CONCLUSIONS

In developing our conclusion regarding whether the Board of Professional Counselors' (board) termination date should be extended, its operations were evaluated using the 11 factors set out in AS 44.66.050(c), which are included as Appendix A of this report. Under the State's "sunset" law, these factors are to be considered in assessing whether an entity has demonstrated a public policy need for continuing operations.

The audit concluded that the board served the public's interest by generally conducting meetings in an effective manner, actively amending regulations, and effectively licensing counseling professionals. The audit also concluded that one board position had been vacant for an extended period and license fees were not sufficient to cover the regulatory cost of the profession.

In accordance with AS 08.03.010(c)(6), the board is scheduled to terminate on June 30, 2026. We recommend that the legislature extend the board's termination date six years to June 30, 2032, which is two years less than the maximum allowed by statute. The reduced extension reflects the need for more timely legislative oversight in light of the audit conclusions and recommendations.

The board generally conducted its meetings effectively and did not duplicate the efforts of other entities.

The board met 20 times from July 2021 through January 2025. A review of 10 board meetings found that meetings were appropriately public noticed and allowed time for public comment.<sup>1</sup> The board's public member seat had been vacant for 16 months as of January 2025. The vacancy contributed to canceling the January 2024 board meeting due to lack of quorum. (See Recommendation 1)

As the only entity authorized to license and regulate professional counselors, the board did not duplicate the activities of another agency.

<sup>&</sup>lt;sup>1</sup> Two of the 10 meetings were for quasi-judicial purposes. As such, the meetings were exempt from public notice requirements.

# The board actively amended regulations.

The board amended regulations to implement statutory changes, improve the licensing process, improve training, widen public access to professional counselors, and enhance public safety. Significant changes included:

- establishing a temporary military courtesy license to allow qualified active-duty military members and spouses to practice as a professional counselor. This change expedited the licensure process for military members and spouses.
- updating various licensure requirements, including requiring applicants obtain supervision from certified counselor supervisors. This change helped ensure that applicants receive proper training and supervision.
- eliminating the additional two-year extension after the three-year application window closed. This change promoted a more efficient licensing process by reducing abandoned applications.
- expanding continuing education requirements to include training on suicide and cultural competency, and capping daily continuing education hours to 12 in a 24-hour period. This change promoted adequate continuing knowledge and skills.
- updating teletherapy regulations to allow supervisees to practice counseling via teletherapy in accordance with guidance. This change widened public access to counselors.
- repealing continuing education requirements for licensure by credential. The change improved licensure reciprocity, thereby improving access to professional counselors.
- adding regulations guiding the denial of counselor supervisor applicants that have been disciplined, have violated professional ethical standards, or are the subject of a complaint or an unresolved investigation for a violation of professional ethical standards. This change enhanced public safety.

Board related investigations were conducted in a timely manner.

A review of board related investigative activity concluded that cases were actively investigated. A total of 51 board related complaints were open or opened from July 2021 through January 2025. The audit identified that 28 of the cases were open for over 180 days. Auditors reviewed five of the 28 cases and found no unjustified periods of inactivity.

The board issued licenses and certifications in compliance with statutes and regulations. Exhibit 2 shows that, as of January 2025, there were a total of 1,676 active licenses and certificates, representing a 63 percent increase when compared to the prior 2017 sunset audit. According to the board chair, the increase was due, in part, to out-of-state counselors obtaining a license to provide counseling via technology.

Auditors tested 15 new and five renewal licenses issued during the audit period and found all were issued in compliance with statutes and regulations. Auditors also found that continuing education was audited in a timely manner.

Exhibit 2

Board of Professional Counselors License and Certification Activity FY 22 through January 31, 2025							
New Licenses and Certificates Issued							
(Exclusive of Renewals)							
	FY 22	FY 23	FY 24	Total Active as of January 31, 2025			
Professional Counselor Licenses	81	105	145	1,127			
Counselor Supervisor Certifications	47	34	58	549			
Total	128	139	203	1,676			

Source: Compiled from the Division of Corporations, Business and Professional Licensing's database.

License and certification fees were not sufficient to cover board operations, and fee increases were not processed in a timely manner. The board's schedule of revenues and expenditures for FY 22 through January 2025 is shown in Exhibit 3 on the following page. The board mainly receives its revenue from licensure and renewal fees. Renewals are conducted on a biennial basis, creating a two-year cycle in board revenues. As shown in Exhibit 3, the board had a cumulative deficit of \$210,158 as of January 2025.

According to Division of Corporations, Business and Professional Licensing (DCBPL) management, a fee analysis was performed to determine whether board license and renewal fees should be increased. The analysis supported increasing fees and was presented to the board at its September 2024 board meeting, at which time the board supported the fee increases. However, the fee increase was not made due to noncompliance with a new fee approval process as described below.

A December 2023 memo from the governor's chief of staff declared that new or increased taxes, fees, revenues, or any other mechanism to collect new or additional revenue must be approved by the governor's chief of staff, with input from the Office of Management and Budget (OMB) prior to the request being made. The memo is included in this report as Appendix B. In accordance with the new policy, OMB established a procedure whereby all requests for fee increases were to be submitted to departments' respective Divisions of Administrative Services, whose staff, in turn, would submit the requests to OMB for review. OMB staff were to determine whether a request would be forwarded to the governor's chief of staff for final review and approval. The audit found that DCBPL sent the board's fee increase request to the Division of Administrative Services; however, due to staff turnover, the request was not forwarded to OMB. Consequently, fees were not increased and the board's deficit is expected to grow. (See Recommendation 2)

The board's fees are shown in Exhibit 4 on page 8.

Exhibit 3

#### Board of Professional Counselors Schedule of Revenues and Expenditures FY 22 through January 31, 2025 (Unaudited)

	FY 22	FY 23	FY 24	July 1, 2024 - January 31, 2025
Revenues				
Licensing/Certification Fees	\$ 267,862	\$ 76,006	\$ 294,869	\$ 55,210
General Funds Received	10,910	2,554	326	-
Other Sources		237		644
Total Revenues	278,772	78,797	295,195	55,854
Direct Expenditures				
Personal Services	139,739	154,353	188,063	118,079
Travel	2,598	8,822	5,991	529
Services	5,667	15,883	10,450	57
Commodities	-			
Total Direct Expenditures	148,004	179,058	204,504	118,665
Indirect Expenditures	79,404	76,708	91,681	45,841*
Total Expenditures	227,408	255,766	296,185	164,506
Annual Surplus (Deficit)	51,364	(176,969)	(990)	(108,652)
1 ( /	•	,		, ,
Beginning Cumulative Surplus (Deficit)	25,089	76,453	(100,516)	(101,506)
Ending Cumulative				
Surplus (Deficit)	\$76,453	\$(100,516)	\$(101,506)	\$(210,158)

Source: DCBPL management.

<sup>\*</sup> Estimated based on the indirect allocation for July 1, 2024, through December 31, 2024.

#### Exhibit 4

# Board of Professional Counselors License and Certification Fees FY 22 through January 31, 2025 Fee Application fee for initial license \$200 License fee for all or part of the initial biennial license period Biennial license renewal fee 250 Supervisor fee 150

Source: 12 AAC 02.325.

# FINDINGS AND RECOMMENDATIONS

The prior 2017 sunset audit made no recommendations.

This sunset audit makes two new recommendations.

#### **Recommendation 1:**

The Office of the Governor, Boards and Commissions director should take steps to ensure board seats are filled in a timely manner. As of January 31, 2025, the Board of Professional Counselor's (board) public member board seat had been vacant for 16 months. According to the Office of the Governor, Boards and Commissions director, two applications for the board seat were received during 2024; however, no appointment was made. The director was unable to provide a reason for the lack of progress in filling the seat.

Per AS 08.29.010, the board is composed of five members. The Office of the Governor, Boards and Commissions director is responsible for actively recruiting, interviewing, and vetting board applicants. Vacant public member positions hinder the board's ability to conduct business with the proper consumer and public safety perspectives and may lead to a lack of quorum. The audit noted that the January 2024 board meeting was canceled due to lack of quorum.

We recommend that the Boards and Commissions director take steps to ensure board seats are filled in a timely manner.

#### **Recommendation 2:**

The Division of Administrative Services director should establish procedures to ensure fee requests are submitted timely for review and approval. Board related fees were not increased, as necessary, to cover the cost of regulating professional counselors.

The fees were not increased due to a procedural error by the Division of Administrative Services. During December 2023, the governor's chief of staff issued a memorandum to all agency heads declaring that any new or increased taxes, fees, revenues, or any other mechanism to collect new or additional revenue must be approved by the governor's chief of staff, with input from the Office of Management and Budget (OMB) prior to the request being made. The memo is included as Appendix B of this report. OMB

management established a procedure directing requests for fee changes be submitted to a department's Division of Administrative Services, who, in turn, would submit it to OMB for review. Upon approval by OMB, the request would be forwarded to the chief of staff for consideration as determined necessary. In accordance with the new procedure, the Division of Corporations, Business and Professional Licensing management submitted the fee increase request to the Division of Administrative Services; however, the request was not forwarded to OMB due to staff turnover.

Per AS 08.01.065, the Department of Commerce, Community, and Economic Development establishes, adjusts, and adopts regulations to implement fee levels and adjustments so that the total amount of fees collected for an occupation approximately equals the actual regulatory costs for the occupation. The board had a deficit of approximately \$210,000 as of January 2025. Not updating fees in a timely manner will likely increase the board's deficit. Furthermore, delaying fee increases will result in larger increases in the future, thereby shifting costs to future licensees.

We recommend the Division of Administrative Services director establish procedures to ensure fee requests are submitted timely for review and approval.

# OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Title 24 and Title 44 of the Alaska Statutes, we have reviewed the activities of the Board of Professional Counselors (board) to determine if there is a demonstrated public need for its continued existence.

As required by AS 44.66.050(a), this report shall be considered by the committee of reference during the legislative oversight process in determining whether the board should be reestablished. Currently, under AS 08.03.010(c)(6), the board will terminate on June 30, 2026, and will have one year from that date to conclude its administrative operations.

#### **Objectives**

The two central, interrelated objectives of our report are to:

- 1. Determine if the termination date of the board should be extended.
- 2. Determine if the board is operating in the public's interest.

## Scope

The assessment of board operations and performance was based on criteria set out in AS 44.66.050(c). Criteria set out in this statute relates to the determination of a demonstrated public need for the board. We reviewed the board's activities from July 1, 2021, through January 31, 2025. Financial information is presented, unaudited, for the same period.

#### Methodology

During the course of our audit, we reviewed and evaluated the following:

- The prior sunset audit report (ACN 08-20102-17) to identify issues affecting the board and to identify prior sunset audit recommendations.
- Applicable statutes and regulations to identify board functions and responsibilities.

- Board meeting minutes and annual reports to gain an understanding of board proceedings and activities, the nature and extent of public input, whether a quorum was maintained, and whether board vacancies impeded operations.
- The State's Online Public Notices System to verify board meetings were adequately public noticed in compliance with state law.
- Board expenditures, revenues, and fee levels to determine whether fee levels covered the regulatory costs of the profession.
- Continuing education audits to help evaluate board operations and to help determine whether the board was servicing the public's interest.
- Various Alaska news websites to identify complaints against the board or other board related concerns.
- Board investigation data for cases open or opened from July 1, 2021, through January 31, 2025, to assess the efficiency of the investigative process.
- Various websites containing information for potential duplication of board activities.

Internal controls over the licensing and investigation processes were assessed to determine if controls were properly designed and implemented. Additionally, to identify and evaluate board activities, we conducted interviews with State agency staff and board members. Specific areas of inquiry included: board operations, statutory duties, regulation projects, duplication of efforts, fee levels, license fee increase requests, board member vacancies, and complaints against the board. Additionally, interviews were conducted with staff from the Office of the Governor, Boards and Commissions and the Division of Corporations, Business and Professional Licensing's Investigations Section to identify complaints against the board and to gain an understanding of board vacancies and recruitment activities.

The audit utilized the following samples:

- A judgmental sample of 10 of 20 board meetings held from July 1, 2021, through January 31, 2025, was reviewed to gain an understanding of board proceedings and activities, the nature and extent of public input, whether a quorum was maintained, whether the meetings were public noticed, and whether board vacancies impeded operations. Test results were not projected to the population.
- A sample of five of 28 board related cases open 180 days or longer from July 1, 2021, through January 31, 2025, were reviewed for unjustified periods of inactivity. Two cases were randomly selected and three were judgmentally selected to provide assurance regarding efficiency of the investigative process. Test results were not projected to the population.
- A random sample of 20 license applications was tested. Fifteen new applications were selected from the 416 new licenses issued to licensed professional counselors between July 1, 2021, and January 31, 2025. Five renewal applications were selected from the 898 licenses that were subject to the 2024 renewal period. The 15 new and five renewal applications were assessed for statutory and regulatory compliance. The sample size was based on low control risk, low inherent risk, and low to moderate audit risk. Test results were not projected to the population.

# APPENDICES SUMMARY

Appendix A provides the sunset criteria used in developing the conclusions regarding whether the Board of Professional Counselors' termination date should be extended.

Appendix B shows a memo from Governor Dunleavy's chief of staff prohibiting tax, fee, or revenue increases without review by the Office of Management and Budget and approval by the chief of staff.

## **APPENDIX A**

### Analysis of Public Need Criteria AS 44.66.050(c)

A determination as to whether a board or commission has demonstrated a public need for its continued existence must take into consideration the following factors:

- 1. the extent to which the board or commission has operated in the public interest;
- 2. the extent to which the operation of the board or commission has been impeded or enhanced by existing statutes, procedures, and practices that it has adopted, and any other matter, including budgetary, resource, and personnel matters;
- 3. the extent to which the board or commission has recommended statutory changes that are generally of benefit to the public interest;
- 4. the extent to which the board or commission has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service that it has provided;
- 5. the extent to which the board or commission has encouraged public participation in the making of its regulations and decisions;
- 6. the efficiency with which public inquiries or complaints regarding the activities of the board or commission filed with it, with the department to which a board or commission is administratively assigned, or with the office of victims' rights or the office of the ombudsman have been processed and resolved;
- 7. the extent to which a board or commission that regulates entry into an occupation or profession has presented qualified applicants to serve the public;

# APPENDIX A (Continued)

- 8. the extent to which state personnel practices, including affirmative action requirements, have been complied with by the board or commission in its own activities and in the area of activity or interest;
- 9. the extent to which statutory, regulatory, budgetary, or other changes are necessary to enable the board or commission to better serve the interests of the public and to comply with the factors enumerated in this subsection;
- 10. the extent to which the board or commission has effectively attained its objectives and purposes and the efficiency with which the board or commission has operated; and
- 11. the extent to which the board or commission duplicates the activities of another governmental agency or the private sector.

#### **APPENDIX B**

# Governor's Chief of Staff December 5, 2023 Memo



#### **MEMORANDUM**

TO: Governor's Cabinet and State Corporation CEO's

**FROM:** Tyson Gallagher, Chief of Staff

**DATE:** December 5, 2023

**SUBJECT:** No Tax/Fee/Revenue Increases without COS approval

This memorandum serves as a directive to all executive branch operations - any new or increased taxes, fees, revenues, or any other mechanism to collect new or additional revenue to your operations must be approved by the Chief of Staff in writing and prior to the action.

In addition to ensuring we have the statutory authority, and receipt authority in the budget, to take any money from anyone, it is also incumbent upon you as managers to run your agencies in furtherance of the Governor's values and priorities. Governor Dunleavy does not believe in any money being taken from Alaskans without the utmost purpose and need. As the Chief Executive of the State of Alaska, these decisions should not be made in the isolation of departments and need to be discussed with the Governor's Office to understand the broader context and implications of the proposed actions.

I expect you and your staff to work with your Special Assistant in the Governor's Office, and your Administrative Services Director work with OMB, to best to manage your operations and budget. If you get to a point that a fee increase of any sort is necessary, it will need to be submitted to the Chief of Staff in writing and as part of my due diligence I will ask the relevant Special Assistant and OMB for input on the overall issue and your engagement with them on it prior to the request being made.

# Agency Response from the Office of the Governor



#### OFFICE OF THE GOVERNOR

Governor Mike Dunleavy STATE OF ALASKA

July 17, 2025

Ms. Kris Curtis Legislative Auditor Division of Legislative Audit P.O. Box 113300 Juneau, AK 99811-3300 RECEIVED

JUL 18 2025

LEGISLATIVE AUDIT

RE: Confidential preliminary audit, Department of Commerce, Community, and Economic Development (DCCED), Board of Professional Counselors

Dear Ms. Curtis,

**Recommendation 1:** The Office of the Governor, Boards and Commissions director should take steps to ensure board seats are filled in a timely manner.

The Office of the Governor concurs with this recommendation. Vacancies are filled promptly once an applicant satisfies both the board's statutory qualifications and the Governor's independent standards for public service. No application reviewed during the audit period cleared that combined threshold. Opportunities to serve remain publicly posted; the appointment will be made when a fully qualified candidate applies.

Respectfully,

Jordan Shilling, Director Boards and Commissions

cc: Cheri Lowenstein, Administrative Director, Office of the Governor

550 West 7th Avenue, Suite 1700, Anchorage, AK 99501

# Agency Response from the Department of Commerce, Community and Economic Development



#### Department of Commerce, Community, and Economic Development

OFFICE OF THE COMMISSIONER
Julie Sande, Commissioner

P.O. Box 110800 Juneau, Alaska 99811-0800 Main: 907.465.2500 Fax: 907.465.5442

July 24, 2025

Kris Curtis Legislative Auditor Division of Legislative Audit P.O. Box 113300 Juneau, AK 99811

RECEIVED

JUL 2 5 2025

LEGISLATIVE AUDIT

Dear Ms. Curtis:

Thank you for the June 30, 2025, Confidential Preliminary Report, Department of Commerce, Community, and Economic Development (DCCED), Board of Professional Counselors (board) Sunset Review. I concur with all five conclusions and both recommendations. Please see the following comments regarding the recommendations:

Recommendation #1: The Office of the Governor, Boards and Commissions director should take steps to ensure board seats are filled in a timely manner.

The department will continue to support the governor's office in filling vacant board seats, as appropriate.

Recommendation #2: The Division of Administrative Services director should establish procedures to ensure fee requests are submitted timely for review and approval.

The department concurs with this recommendation. As noted in the preliminary report, the fee request was not forwarded to the Office of Management and Budget (OMB) timely due to staff transition. This has since been resolved and the fee request is now with OMB for consideration. We would request that the Division of Legislative Audit consider recommending an eight-year extension for the board since neither of the two recommendations are directed to the board.

Again, thank you for the opportunity for the department to provide input on this matter. If you have any questions, please feel free to contact me.

Sincerely,

Juli 88 45 8 8 17 4 7 4 7 2 ...

DocuSigned by:

Commissioner

# Agency Response from the Board of Professional Counselors

July 22, 2025

Legislative Budget and Audit Committee Division of Legislative Audit PO Box 113300 Juneau, AK 99811-3300 RECEIVED

JUL 2 2 2025

LEGISLATIVE AUDIT

RE: Department of Commerce, Community, and Economic Development, Board of Professional Counselors Confidential Preliminary Report

Thank you for the time, effort, and thoroughness reflected in the recent audit of the Board of Professional Counselors. We value the oversight your office provides and appreciate the opportunity to engage in this important process.

We appreciate the audit's recognition of the board's performance in several key areas. We agree with the findings that the board generally conducted its meetings effectively and without duplicating the efforts of other entities; that the board actively amended regulations; that board-related investigations were conducted in a timely manner; and that licenses and certifications were issued in compliance with applicable statutes and regulations. We also agree with the conclusion that license, and certification fees have not been sufficient to cover board operations and that fee increases were not processed in a timely manner. However, we would like to note that the new fee approval process is managed by a separate department, and therefore, the timing and implementation of those board approved fee increases are outside the board's control.

We concur with the audit's recommendations and appreciate the thoughtful attention given to systemic areas that affect the board's ability to function effectively. We fully support the recommendation to ensure timely appointments to the board, as prolonged vacancies have a direct impact on our capacity to meet quorum and carry out our statutory responsibilities. We also agree that establishing clearer procedures for submitting fee requests is an important step toward resolving longstanding funding challenges. While these matters are outside the board's control, we recognize their significance and support the ongoing efforts by the responsible agencies to address them.

While we are committed to supporting improvements where possible, we respectfully disagree with the recommendation to shorten the board's termination date by two years to June 30, 2032. The key issues underlying this recommendation stem from structural and administrative processes beyond the board's authority and therefore do not reflect the board's performance within its statutory mandate.

We believe that maintaining the standard eight-year timeline of June 30, 2034 would allow for a more accurate assessment of the board's performance within its defined scope and responsibilities. We remain dedicated to transparency and continuous improvement and thank you again for your thoughtful analysis and findings.

Sincerely,

Crystal Herring, LPC

Chair, Board of Professional Counselors