

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, 2027, 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 work with the board to help identify potential applicants to fill board vacancies in a timely manner.
2. The board should approve the issuance of licenses and permits in accordance with statutes, or seek a statutory change if deemed necessary.
3. Division of Corporations, Business and Professional Licensing's (DCBPL) director should improve training to ensure applicants meet all requirements before issuing licenses and permits.

(Continued on next page)

A Sunset Review of the Department of Commerce, Community, and Economic Development, Board of Barbers and Hairdressers (board)

June 1, 2026

Audit Control Number 08-20151-26

REPORT CONCLUSIONS

The board served the public's interest by conducting meetings in accordance with State law and actively amending regulations to enhance public safety and improve the licensing process. The audit also identified areas for improvement. Multiple meetings were canceled due to lack of quorum. The Board delegated license approval to the Division of Corporations, Business and Professional Licensing (DCBPL) staff without statutory authority. A few of the licenses tested did not fully comply with regulations. Several investigations reviewed as part of the audit had unjustified periods of inactivity. Additionally, board vacancies were not filled in a timely manner.

In accordance with AS 08.03.010(c)(4), the board is scheduled to terminate on June 30, 2027. We recommend that the legislature extend the board's termination date four years to June 30, 2031. The reduced extension reflects the need for more routine oversight to ensure corrective action is taken to address the deficiencies.

Report Highlights (Continued)

4. Department of Commerce, Community, and Economic Development's commissioner should work with policy makers to improve the recruitment and retention of investigators.

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit



P.O. Box 113300
Juneau, AK 99811-3300
(907) 465-3830
FAX (907) 465-2347
legaudit@akleg.gov

June 10, 2026

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 Barbers and Hairdressers and the attached report is submitted for your review.

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT BOARD OF BARBERS AND HAIRDRESSERS SUNSET REVIEW

June 1, 2026

Audit Control Number
08-20151-26

The audit was conducted as required by AS 44.66.050(a). Per AS 08.03.010(c)(4), the board is scheduled to terminate on June 30, 2027. We recommend the legislature extend the board's termination date to June 30, 2031.

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. Procedures utilized in the course of developing the findings and recommendations presented in this report are discussed in the Objectives, Scope, and Methodology section.

A handwritten signature in blue ink, appearing to read "Kris Curtis".

Kris Curtis, CPA, CISA
Legislative Auditor

ABBREVIATIONS

AAC	Alaska Administrative Code
ACN	Audit Control Number
AS	Alaska Statute
board	Board of Barbers and Hairdressers
council	National Interstate Council of State Boards of Cosmetology
CISA	Certified Information Systems Auditor
CPA	Certified Public Accountant
DCBPL	Division of Corporations, Business and Professional Licensing
DCCED	Department of Commerce, Community, and Economic Development
DEC	Department of Environmental Conservation
FY	Fiscal Year

CONTENTS

Report Sections	Organization and Function	1
	Report Conclusions	5
	Findings and Recommendations	11
	Objectives, Scope, and Methodology	15
Agency Responses	Office of the Governor	23
	Department of Commerce, Community, and Economic Development	25
	Board of Barbers and Hairdressers	27
	Legislative Auditor's Additional Comments	29
Appendix	Appendix Summary	19
	Appendix A: Analysis of Public Need Criteria	21
Exhibits	Exhibit 1: Board of Barbers and Hairdressers, Members as of January 31, 2026	1
	Exhibit 2: Board of Barbers and Hairdressers, Licensing and Permitting Activity, FY 23 through January 31, 2026	8
	Exhibit 3: Board of Barbers and Hairdressers, Schedule of Revenues and Expenditures, FY 23 through January 31, 2026	9
	Exhibit 4: Board of Barbers and Hairdressers, License Fees, FY 23 through January 31, 2026	10

(Intentionally left blank)

ORGANIZATION AND FUNCTION

Board of Barbers and Hairdressers (board)

The board was established under the provisions of AS 08.13.010 for the purpose of regulating barbers and hairdressers licensed to practice in Alaska. The board also regulates hair braiders, tattooists, permanent cosmetic colorists, body piercers, estheticians, manicurists, and related schools and shop owners.

The board is comprised of seven members: one licensed barber; two licensed hairdressers (one of whom is also a licensed esthetician); one licensed to practice body piercing, tattooing, or permanent cosmetic coloring; one licensed manicurist; one person licensed to practice any occupation regulated by the board; and one public member. Exhibit 1 shows the board members as of January 31, 2026.

Per Alaska Statute 08.13.030, the board shall:

1. Examine applicants and approve the issuance of licenses and permits to practice;
2. Authorize the issuance of licenses for schools of barbering, hairdressing, manicuring, and esthetics;
3. Develop written instructions and notices that tattooing, permanent cosmetic coloring, and body piercing shop owners and practitioners are required to give or display.

Additionally, the board may:

1. Suspend or revoke a license or permit;

Exhibit 1

Board of Barbers and Hairdressers Members as of January 31, 2026

Kevin McKinley, Chair <i>Tattooist/ Body Piercer/ Permanent Cosmetic Colorist</i>
Vacant <i>Barber</i>
Danielle Hager <i>Hairdresser</i>
Willie Canady <i>Hairdresser/Esthetician</i>
Jennifer Lombardo <i>Industry Licensee</i>
Shannon Thompson <i>Nail Technician</i>
Jessica Pestrikoff <i>Public</i>

Source: Office of the Governor, Boards and Commissions.

-
-
2. Conduct hearings and request the Department of Commerce, Community, and Economic Development (DCCED) or the Department of Environmental Conservation (DEC) investigate the practices of a person, shop, or school involved in the practice or teaching of barbering, hairdressing, hair braiding, manicuring, esthetics, body piercing, tattooing, or permanent cosmetic coloring; and
 3. Adopt regulations to carry out the board related statutes.

**DCCED'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 acts or practices.
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. Per AS 08.01.065(h), the board's fees must be set at a level that covers the total cost of regulating the

professions under the board's purview including costs of the board, DCCED, and DEC.

(Intentionally left blank)

REPORT CONCLUSIONS

In developing our conclusion regarding whether the Board of Barbers and Hairdressers' (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 to 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 conducting meetings in accordance with State law and actively amending regulations to enhance public safety and improve the licensing process.

The audit also identified areas for improvement. Multiple meetings were cancelled due to lack of quorum. The Board delegated license approval to the Division of Corporations, Business and Professional Licensing (DCBPL) staff without statutory authority. A few of the licenses tested did not fully comply with regulations. Several investigations reviewed as part of the audit had unjustified periods of inactivity. Additionally, board vacancies were not filled in a timely manner.

In accordance with AS 08.03.010(c)(4), the board is scheduled to terminate on June 30, 2027. We recommend that the legislature extend the board's termination date four years to June 30, 2031. The reduced extension reflects the need for more routine oversight to ensure corrective action is taken to address the deficiencies.

Detailed report conclusions are as follows.

The board conducted its meetings in accordance with State law, but multiple board meetings were canceled due to a lack of quorum.

A review of 11 of the 22 meetings held from July 2022 through January 2026 found that meetings were appropriately noticed to the public and allowed time for public comment. Six additional meetings were scheduled, but cancelled, during the same time period due to a lack of quorum. Board vacancies and poor attendance contributed to the canceled meetings. Multiple

board seats were vacant before and during the audit period. (See Recommendation 1)

The audit found that the board did not duplicate the activities of other entities. The National Interstate Council of State Boards of Cosmetology (council) performed activities that involved board licensees; however, those activities were complementary rather than duplicative. The board utilized the council's standardized written examinations for licensure. Additionally, the council provided the board with best practices. These efforts helped the board effectively license and regulate.

The board actively amended regulations and recommended statutory changes.

The board issued and amended regulations to improve the licensing process and enhance public safety. Significant changes included:

- Removing references to exam fees that were no longer applicable. The revised regulations clarified the licensing process.
- Allowing two courtesy licenses in a calendar year for body piercers, tattooists, and permanent cosmetic colorists, rather than one. The revised regulation increased opportunities for guest artists.
- Removing requirements for out-of-state instructors applying by waiver of examination to have a specified amount of experience from another licensing jurisdiction and hold an Alaska license before applying. Instead, regulatory amendments ensured applicants have an instructor license from another jurisdiction that meets or exceeds the licensing standards of Alaska. The revised regulations reduced barriers to entry for out-of-state instructors.
- Requiring trainers of tattooing, permanent cosmetic coloring, or body piercing to submit a student's training certificate of completion within five days of completion, instead of 30 days. The revised regulation streamlined a student's application process.
- Establishing a definition of esthetic appliances to clarify appropriate devices that can be used. The new regulation enhanced public safety.

One board related bill was introduced during the audit period. House bill 243 amended statutes to allow the board to delegate its licensing function to DCBPL staff. The board recommended passage of the bill via a letter of recommendation and through testimony at legislative hearings.

The Department of Environmental Conservation (DEC) conducted shop inspections in accordance with State law.

According to the board's statutes and regulations, DEC is required to conduct a sanitary inspection for new shops applying to be licensed for the practice of tattooing, permanent cosmetic coloring, or body piercing. Additionally, DEC is to conduct sanitation inspections annually thereafter. The audit found that inspections occurred, as required, throughout the audit period. DEC inspections were paid through a reimbursable services agreement with DCBPL that was funded with board licensing fees.

Improvements are needed over the review and approval of board licenses.

As shown in Exhibit 2 on the next page, there was a total of 5,161 active licenses as of January 2026, representing a seven percent decrease compared to the prior 2018 sunset audit. Auditors tested 20 new licenses and 10 renewal licenses issued during the audit period. Two of the 20 new licenses tested were not issued in compliance with regulations. One of the errors related to a hairdresser applicant that was issued a license even though the applicant was four instances short of the required experience. The other error was related to an applicant for a student permit that was issued the permit without the instructor's signature on the application and verification of enrollment in a licensed school. (See Recommendation 2) Testing of the 10 renewed licenses found that all applicants were renewed in accordance with statutes and regulations.

The audit also noted deficiencies with the delegation of licensing authority. Statutes assign the responsibility for issuing licenses to the board; however, according to DCBPL management, DCBPL staff have been responsible for reviewing and issuing licenses for over ten years. Per Department of Law 2025 guidance, the power to issue licenses must remain with the board until statutes are amended. Despite this guidance, the board continued to delegate the license duty to DCBPL. (See Recommendation 3)

Exhibit 2

Board of Barbers and Hairdressers Licensing and Permitting Activity FY 23 through January 31, 2026

	New Issued (Exclusive of Renewals)			Total Active as of January 31, 2026
	FY 23	FY 24	FY 25	
Apprentice, Student, and Trainee*	407	433	371	562
Barber and Non-Chemical Barber*	31	42	25	196
Body Piercing*	6	6	4	24
Esthetician*	134	109	74	777
Hair Braiding	19	15	9	25
Hairdresser*	68	82	97	1,684
Instructor	24	15	15	230
Manicurist and Manicurist with Advanced Endorsement*	99	119	118	749
School Owner	1	1	2	11
Shop Owner*	98	107	88	617
Tattooing*	230	117	161	221
Permanent Cosmetic Coloring	8	8	10	65
Total	1,125	1,054	974	5,161

Source: Compiled from DCBPL's licensing database.

*Includes Courtesy Licenses and/or Temporary Permits.

Board related investigations were not consistently conducted in a timely manner.

A total of 296 board related investigations were open or opened from July 2022 through January 2026. The audit found that 116 of the cases were open for over 180 days, of which 11 were open for over 1,000 days. Auditors reviewed a total of 12 cases. Ten of the 12 cases had unjustified periods of inactivity ranging from 49 to 365 days. (See Recommendation 4)

Board fees were sufficient to cover regulatory costs.

The board's schedule of revenues and expenditures for FY 23 through January 2026 is shown in Exhibit 3. 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. The board had a cumulative surplus of \$1,101,255 as of January 2026. The board's schedule of fees is shown in Exhibit 4 on the following page.

Exhibit 3

**Board of Barbers and Hairdressers
Schedule of Revenues and Expenditures
FY 23 through January 31, 2026
(Unaudited)**

	FY 23	FY 24	FY 25	July 1, 2025 - January 31, 2026
Revenues				
Licensing Fees	\$ 349,898	\$ 1,146,245	\$ 303,803	\$ 961,065
General Funds Received	5,933	958	-	-
Total Revenues	355,831	1,147,203	303,803	961,065
Direct Expenditures				
Personal Services	358,549	327,531	408,596	368,847
Travel	-	1,738	1,024	-
Services	28,645	35,438	38,205	41,947
Commodities	-	-	-	-
Total Direct Expenditures	387,194	364,707	447,825	410,794
Indirect Expenditures	302,656	299,416	316,361	158,181*
Total Expenditures	689,850	664,123	764,186	568,975
Annual Surplus (Deficit)	(334,019)	483,080	(460,383)	392,090
Beginning Cumulative Surplus	1,020,487	686,468	1,169,548	709,165
Ending Cumulative Surplus	\$ 686,468	\$ 1,169,548	\$ 709,165	\$ 1,101,255

Source: DCBPL management.

*Estimated based on the indirect allocation for July 1, 2025, through December 31, 2025.

Exhibit 4

**Board of Barbers and Hairdressers
License Fees
FY 23 through January 31, 2026**

**July 1, 2024 –
January 31, 2026**

	FY 23	FY 24	
Nonrefundable application and one-time fee:			
Initial license	\$150	\$150	\$150
Courtesy license	80	80	80
Advanced manicurist endorsement one-time fee	20	20	20
Temporary and courtesy fees:			
Temporary permit	100	100	100
Temporary license	100	100	100
Temporary shop license	100	100	100
Courtesy license for practitioners of hairdressing, body piercing, tattooing, or permanent cosmetic coloring	80	80	80
Student permit, student instructor permit, or apprenticeship fees:			
One year	100	100	100
Two years	125	125	125
Exam fees:			
Barber, non-chemical barber, hairdresser, esthetician, advanced manicurist, or instructor written exam	60	0	0
Barber, non-chemical barber, hairdresser, esthetician, or instructor practical examination fee	60	60	0
Practitioners of body piercing, tattooing, or permanent cosmetic coloring written exam	60	0	0
License fees for all or part of the initial biennial license period:			
Barber, non-chemical barber, or hairdresser	180	180	180
Esthetician	180	180	180
Instructor	260	260	260
Shop owner	260	260	260
School and school owner combined	660	660	660
Manicurist	180	180	180
Practitioner of tattooing or permanent cosmetic coloring	180	180	180
Practitioner of body piercing	180	180	180
Practitioner of hair braiding	180	180	180
Biennial license renewal fees:			
Barber, non-chemical barber, or hairdresser	180	180	180
Esthetician	180	180	180
Instructor	260	260	260
Shop owner	260	260	260
School and school owner combined	660	660	660
Manicurist and advanced manicurist endorsement	180	180	180
Practitioner of tattooing or permanent cosmetic coloring	180	180	180
Practitioner of body piercing	180	180	180
Practitioner of hair braiding	180	180	180

Source: 12 AAC 02.140

FINDINGS AND RECOMMENDATIONS

The prior 2018 sunset audit made no recommendations. This sunset audit makes four new recommendations.

Recommendation 1:

The Office of the Governor, Boards and Commissions director should work with the Board of Barbers and Hairdressers (board) to help identify potential applicants to fill board vacancies in a timely manner.

The audit noted multiple board seats were vacant for more than three months before and during the audit period. The barber seat was vacant for 38 months; the industry licensee seat was vacant for seven months in total; and the public member seat was vacant for 14 months in total. Vacant board positions may limit the board's ability to conduct business with the appropriate professional expertise and consumer perspective. Furthermore, extensive vacancies contributed to the cancellation of six board meetings during the audit period due to a lack of quorum.

The Boards and Commissions director stated vacancies were posted and applications were promptly reviewed during the audit period; however, no applicants satisfied the board's statutory qualifications and the governor's independent standard for public service. The Boards and Commissions director further stated that the barber seat received limited applications relative to other seats on the board, as barbers only make up approximately four percent of the overall license holders.

Per AS 08.13.010, the board is statutorily required to consist of seven members appointed by the governor. The Office of the Governor, Boards and Commissions section is responsible for actively recruiting, interviewing, and vetting board applicants. The board is in the unique position to help identify potential applicants.

We recommend the Office of the Governor, Boards and Commissions director work with the board to help identify potential applicants to fill board vacancies in a timely manner.

Recommendation 2:

DCBPL's director should improve training to ensure applicants meet all requirements before issuing licenses and permits.

Auditors reviewed 20 new licenses that were issued during the audit period. Two of 20 licenses reviewed were not issued in accordance with all regulations. One hairdresser applicant was issued a license despite being four instances short of experience requirements. One student applicant was issued a permit without the instructor's signature on the application and verification of enrollment in a licensed school.

According to DCBPL management, the errors were due to insufficient training and human error. Per 12 AAC 09.160, a student who is enrolled in a hairdressing course must complete 80 practical operations of permanent waving, including hair analysis and chemical waving, during training. Per 12 AAC 09.180(a)(3)(A), the completed application must include proof of enrollment in a licensed school. Issuing licenses without ensuring applicants comply with State laws and regulations increases the risk to public safety.

We recommend the DCBPL director improve training to help ensure applicants meet all requirements before issuing licenses and permits.

Recommendation 3:

The board should issue licenses and permits in accordance with statutes, or seek a statutory change if deemed necessary.

The board has delegated its licensing authority to the Division of Corporations, Business and Professional Licensing (DCBPL) since approximately 2016 without statutory authority to do so. According to DCBPL management and the board chair, at the time DCBPL staff took over the licensing function, guidance from the Department of Law indicated that delegation was permissible. The Department of Law changed this guidance during 2025 and notified the board and DCBPL that the delegation did not comply with statutes.

Despite guidance, DCBPL staff continued to approve and issue licenses and permits. According to DCBPL management and the board chair, licensing would essentially come to a standstill if the board took back the duty, as it would be a significant addition to the board's workload.

Per AS 08.13.030(b), the board shall examine applicants and approve the issuance of licenses and permits to practice and authorize the issuance of licenses for schools of barbering, hairdressing, manicuring, and esthetics. Not approving licenses and permits in accordance with statutes increases the risk to public safety and may cause the validity of the licenses to be challenged.

We recommend the board issue licenses and permits in accordance with statutes or seek a statutory change if deemed necessary.

Recommendation 4:

The Department of Commerce, Community, and Economic Development commissioner should work with policy makers to improve the recruitment and retention of investigators.

Auditors reviewed 12 cases that were open for over 180 days and found 10 had unreasonable periods of inactivity ranging from 49 to 365 days.

According to DCBPL management and review of case notes, delays occurred due to resources being allocated to higher priority or more complex cases, staff and board turnover, case reassignments, and the amount of time it took to train new investigators. The board had approximately four years of routine investigative staff turnover.

Per AS 08.01.050(a)(19), DCBPL is responsible for providing investigative services to occupational boards. Investigations and complaints that sit idle for extended periods could negatively impact public safety.

We recommend the Department of Commerce, Community, and Economic Development's commissioner work with policy makers to improve the recruitment and retention of investigators. As the recruitment and retention challenge is pervasive across State government, the problem should be addressed at a statewide policy level.

(Intentionally left blank)

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 Barbers and Hairdressers (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)(4), the board will terminate on June 30, 2027, and will have one year from that date to conclude its administrative operations.

Objectives

The three central, interrelated objectives of our report are to determine:

1. If the termination date of the board should be extended and for how long.
2. If the board is operating in the public's interest.
3. The status of recommendations made in the prior sunset audit.

Scope

The assessment of operations and performance of the board 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, 2022, through January 31, 2026. Financial data is presented, unaudited, for the same period.

Methodology

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

- The prior sunset audit report (ACN 08-20110-18) to identify issues affecting the board and to identify prior sunset audit recommendations.

-
- Applicable statutes and regulations to identify board functions and responsibilities, determine whether statutory or regulatory changes enhanced or impeded board activities, and help ascertain if the board operated in the public interest.
 - Expenditures, revenues, and fees of the board to determine whether fee levels covered the costs of operations.
 - 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.
 - Various websites for potential duplication of board activities.
 - The State's Online Public Notices System to verify meetings were adequately noticed to the public in accordance with State law.
 - Board investigation data for investigations that were open or opened between July 1, 2022, and January 31, 2026, to assess the efficiency of the investigative process.
 - Various news related websites to identify complaints against the board or other board related concerns.

Internal controls over the licensing and investigative processes were assessed to determine if controls were properly designed and operating effectively. Additionally, interviews were conducted with State agency staff and the board chair to identify and evaluate board activities. Specific areas of inquiry included: board operations, regulation changes, duplication of efforts, fee levels, board and staff vacancies, and complaints against the board. Additionally, inquiries were made with the Office of the Governor, Boards and Commissions director to understand recruitment activities and determine the cause of board member vacancies.

During the audit the following samples were selected:

- A random sample of 30 license applications received from July 1, 2022, through January 31, 2026, was tested. Twenty applications were selected from 3,751 new licenses and 10 were selected from 5,528 renewal licenses. License applications were assessed for statutory and regulatory compliance. The new licenses were also tested for effectiveness of internal controls. The sample size was based on a low inherent risk and moderate audit risk. Test results were not projected to the population.
- A sample of 12 of 116 board related cases open 180 days or longer from July 1, 2022, through January 31, 2026, was reviewed for unjustified periods of inactivity. Four cases were randomly selected from the 11 cases open more than 1,000 days and eight cases were randomly selected from the remainder. Test results were not projected to the population.
- A judgmental sample of 11 of the 22 board meetings held from July 1, 2022, through January 31, 2026, 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 publicly noticed, and whether board vacancies impeded operations. Test results were not projected to the population.

(Intentionally left blank)

APPENDIX SUMMARY

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

(Intentionally left blank)

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.

Agency Response from the Office of the Governor



OFFICE OF THE GOVERNOR
Governor Mike Dunleavy
STATE OF ALASKA

July 29, 2026

RECEIVED

JUL 30 2026

LEGISLATIVE AUDIT

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

RE: Confidential preliminary audit report, Department of Commerce, Community, and Economic Development (DCCED), Board of Barbers and Hairdressers

Dear Ms. Curtis,

Recommendation 1: The Office of the Governor, Boards and Commissions director should work with the Board of Barbers and Hairdressers (board) to help identify potential applicants to fill board vacancies in a timely manner.

The Office of the Governor concurs with this recommendation. Once an applicant satisfies the board's statutory qualifications, the applications are promptly reviewed. Limited applications were received and none of the applications reviewed during the audit period met the statutory qualification or the Governor's independent standards for public service. Vacancies are filled promptly once an applicant satisfies both these criteria.

Opportunities to serve remain publicly posted; the Office of the Governor, Boards and Commissions Director will continue to work with the board, an appointment will be made when a fully qualified candidate applies.

Respectfully,

A handwritten signature in black ink, appearing to read "Jordan Shilling".

Jordan Shilling, Director
Boards and Commissions

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

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

(Intentionally left blank)

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



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

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

August 4, 2026

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

RECEIVED

AUG 06 2026

LEGISLATIVE AUDIT

Dear Ms. Curtis:

Thank you for the July 16, 2026, Confidential Preliminary Report, Department of Commerce, Community, and Economic Development (DCCED), Board of Barbers and Hairdressers Sunset Review. I appreciate the opportunity to respond to the draft findings related to the sunset review for the Board of Barbers and Hairdressers (board) before they become final. I mostly concur with the six conclusions and the four recommendations. With that said, we do still believe this industry may benefit from the board's structure shifting from regulatory to advisory, and the licensing program shifting to being division-regulated.

Please see the following comments regarding the recommendations:

Recommendation 1: The Office of the Governor, Boards and Commissions director should work with the Board of Barbers and Hairdressers (board) to help identify potential applicants to fill board vacancies in a timely manner. The department will continue to support the governor's office in filling vacant board seats, as appropriate.

Recommendation 2: DCBPL's director should improve training to ensure applicants meet all requirements before issuing licenses and permits. The division has implemented expanded training and oversight for this program. Staffing turnover during the audit period contributed to some issues, but we have since strengthened training tools, added supervisory oversight, and reinforced review procedures to ensure applicants meet statutory and regulatory requirements prior to licensure.

Recommendation 3: The board should issue licenses and permits in accordance with statutes, or seek a statutory change if deemed necessary. The board successfully obtained a statutory change through House Bill 243, which took effect July 3, 2026. This legislation requires the board to delegate all licensing authority to the department. The division agreed this change is necessary to avoid significant disruptions to licensing activity for this industry.

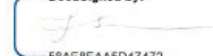
Recommendation 4: DCCED's commissioner should work with policy makers to improve recruitment and retention of investigators. The division works diligently to keep the

investigations team staffed. With one of the largest investigations units in the state (28 PCNs), we try to emphasize the opportunities that size affords staff in an effort to improve retention. We also worked to reclass the supervisory staff in investigations to create a clearer career ladder within the unit which we believe will improve staff retention.

Additionally, we offer staff a great deal of training. All investigators attend the National Certified Investigator and Inspector Training offered by the Council on Licensure, Enforcement and Regulation (CLEAR). Additionally, they are all trained in interviewing techniques, and all receive training on how to conduct investigations on their specific programs if available, (e.g., chiropractors, physicians, nurses, social workers, etc.). We feel that investing in staff through training ensures staff are confident in their ability to carry out their duties, improving job satisfaction and increasing retention. When we have turnover, we submit the vacant positions for posting within days of learning of them to minimize periods of short staffing.

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,
DocuSigned by:


58AEBEAA5D47472...

Julie Sande
Commissioner

cc: Lizzie Kubitz, Legislative Liaison, DCCED
Glenn Saviers, Deputy Director, DCBPL, DCCED

Agency Response from the Board of Barbers and Hairdressers

July 27th, 2026

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

RECEIVED

JUL 28 2026

LEGISLATIVE AUDIT

Dear Legislative Budget and Audit Committee,

On behalf of the Board, I would like to thank you for your careful and thorough review of the Board of Barbers and Hairdressers. I concur with the conclusions, findings, and Recommendations 1, 2, and 4 outlined in the sunset report. I respectfully disagree with Recommendation 3 as written.

Below are the planned actions to address the two recommendations directed to the Board.

Recommendation 1: *The Office of the Governor, Boards and Commissions Director, should work with the Board of Barbers and Hairdressers to help identify potential applicants to fill vacancies in a timely manner.*

- The Board will support the Office of the Governor and the Boards and Commissions Director by sharing information about open board seats with members of the Board of Barbers and Hairdressers.

Recommendation 3: *The Board should issue licenses and permits in accordance with statutes, or seek statutory change if deemed necessary.*

- The Board approved a legislative request to delegate authority to issue licenses and permits. The Legislature passed HB 243, and now has become law.
- Public health and safety were never at risk, as the Division relied on a checklist created by the Board and used successfully for nearly a decade.
- Requiring the Board to review and approve more than 1,000 licenses annually would cause unnecessary delays for individuals, shops, and schools, potentially resulting in financial hardship and an increased risk to public health and safety if consumers seek services from unlicensed or unpermitted practitioners.

The planned actions to support the two recommendations not directed to the Board are as follows:

Recommendation 2: *DCBPL's Director should improve staff training to ensure applicants meet all requirements before licenses and permits are issued.*

- The Board will support the DCBPL Director in efforts to provide staff training.

Recommendation 4: *The DCBPL Commissioner should work with policy makers to improve the recruitment and retention of investigators.*

- The Board supports the efforts of the Commissioner and the Division.
- The Board will increase communication with Investigations regarding timelines and workload capacity to help ensure timely case review.
- The Board supports ongoing recruitment efforts for open positions.

The Alaska Board of Barbers and Hairdressers exists to ensure competent, professional, and regulated commercial services are available to consumers. The Board is committed to fostering an environment that provides clear guidance to practitioners and protects the health and safety of the public.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kevin McKinley", is written over a light blue rectangular background.

Kevin McKinley
Board Chair
Board of Barbers and Hairdressers

Legislative Auditor's Additional Comments

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit



P.O. Box 113300
Juneau, AK 99811-3300
(907) 465-3830
FAX (907) 465-2347
legaudit@akleg.gov

August 7, 2026

Members of the Legislative Budget
and Audit Committee:

I have reviewed the chair's response to this audit. Nothing contained in the response causes me to revise or reconsider the report conclusions or recommendations.

Sincerely,

A handwritten signature in black ink, appearing to read "Kris Curtis".

Kris Curtis, CPA, CISA
Legislative Auditor