

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 Division of Corporations, Business and Professional Licensing's director should improve internal controls to ensure license fees are collected in accordance with regulations.

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

May 20, 2026

Audit Control Number 08-20152-26

REPORT CONCLUSIONS

The board served the public's interest by conducting meetings in an effective manner and actively amending regulations. No unjustified delays in board investigations were identified. Licenses were issued in compliance with State law; however, the audit found six applicants underpaid fees.

In accordance with AS 08.03.010(c)(5), the board is scheduled to terminate on June 30, 2027. We recommend that the legislature extend the board's termination date eight years to June 30, 2035, which is the maximum allowed for by statute.

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ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit



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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 Chiropractic Examiners and the attached report is submitted for your review.

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT BOARD OF CHIROPRACTIC EXAMINERS SUNSET REVIEW

May 20, 2026

Audit Control Number
08-20152-26

The audit was conducted as required by AS 44.66.050(a). Per AS 08.03.010(c)(5), the board is scheduled to terminate on June 30, 2027. We recommend the legislature extend the board's termination date to June 30, 2035.

We conducted this 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 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 Chiropractic Examiners
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
FY	Fiscal Year

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ORGANIZATION AND FUNCTION

Board of Chiropractic Examiners (board)

The board, established under AS 08.20.010, is comprised of five members appointed by the governor to serve staggered, four-year terms. Board membership consists of four licensed chiropractors who have practiced in Alaska for at least two years and one public member. The public member may not have a direct financial interest in the health care industry. Board members, as of January 31, 2026, are listed in Exhibit 1.

Exhibit 1

Board of Chiropractic Examiners Members as of January 31, 2026

John Lloyd, Chair
Chiropractor

Timothy Kanady
Chiropractor

Walter Campbell
Chiropractor

Edward Barrington
Chiropractor

Ronald Gherman
Public member

Source: Office of the Governor, Boards and Commissions.

Alaska Statutes define the board’s duties, which include adopting regulations for the following:

1. Application, performance, and evaluation of chiropractic core methodology;
2. Training, qualifications, scope of practice, and employment of chiropractic interns and chiropractic preceptors;
3. Standards for continuing education;
4. Designation of one or more nationally recognized certification programs for chiropractic clinical assistants;
5. Performance of patient examinations authorized under AS 08.20.100(b); and
6. Issue a license to qualified applicants.

Additionally, statutes state the board may:

1. Impose a disciplinary sanction on a board licensee or refuse to issue or renew a license; and

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

2. Establish a utilization review committee to review complaints concerning the reasonableness or appropriateness of care provided, fees charged, or costs of services rendered by a licensee to a patient.

DCBPL provides administrative and investigative assistance to the board. Administrative assistance includes budgetary services and functions such as collecting fees, maintaining files, receiving and issuing application forms, publishing notices for meetings, and assisting with board regulations. The department is required by AS 08.01.065 to adopt regulations that establish the amount and manner of payment of application, examination, license, permit, and investigation fees.

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 if it appears a person is engaged or about to engage in a prohibited professional practice;
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; and
4. Issue subpoenas for the attendance of witnesses and records.

REPORT

CONCLUSIONS

In developing our conclusion regarding whether the Board of Chiropractic Examiners' (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 an effective manner and actively amending regulations. No unjustified delays in board investigations were identified. Licenses were issued in compliance with State law; however, the audit found six applicants underpaid fees.

In accordance with AS 08.03.010(c)(5), the board is scheduled to terminate on June 30, 2027. We recommend that the legislature extend the board's termination date eight years to June 30, 2035, which is the maximum allowed for by statute.

Detailed report conclusions are as follows.

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

There were 21 board meetings held from July 2022 through January 2026. Auditors found all were appropriately noticed to the public, allowed time for public comment, and a quorum was consistently met.

As the only entity that licenses and regulates chiropractic professionals in Alaska, the board did not duplicate the efforts of another agency.

The board actively amended regulations.

No board related legislation was introduced during the audit period; however, the board amended several regulations. Significant amendments included:

- Removing jurisprudence exam requirements that were no longer applicable to clarify the exam process.
- Establishing a temporary military courtesy license to allow active-duty military members and spouses to practice as chiropractors. This change expedited the licensing process for military members and spouses.
- Approving Alaska Chiropractic Society educational meetings as a source for continuing education. This change increased the number of continuing education programs available to licensees.

The board generally issued licenses in compliance with statutes and regulations.

Exhibit 2 shows that as of January 2026 there were 308 active licenses. Auditors tested 21 licenses for compliance with statutes and regulations and found all were issued in compliance with State law; however, one applicant underpaid the licensing fee by five hundred and fifty dollars (\$550). Auditors expanded review and found another five applicants had also underpaid for a total underpayment of \$3,300. Division of Corporations, Business and Professional Licensing (DCBPL) staff were unaware of the underpayments until notified by auditors. (See Recommendation 1)

Exhibit 2

Board of Chiropractic Examiners Licensing 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	
Chiropractic Physician	16	16	14	307
Chiropractic Physician Courtesy License	0	0	1	0
Chiropractic Physician for Locum Tenens Practice	0	0	0	1
Total	16	16	15	308

Source: Compiled from DCBPL licensing database.

No unjustified delays in board related investigations were identified.

A total of 40 cases were open or opened from July 2022 through January 2026. The audit found 21 cases were open over 180 days, of which, two were open over 1,000 days. The audit reviewed nine of the 21 cases and found no periods of unjustified inactivity.

License fees were not sufficient to cover board operations; however, additional fee increases were planned.

The board's schedule of revenues and expenditures for FY 23 through January 2026 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. During the audit period, the board was allocated \$175,656 of general funds to replace revenue lost due to the license fee freeze mandated by the governor to help mitigate the financial impact of the COVID-19 pandemic. As shown in Exhibit 3, the board had a cumulative deficit of \$259,251 as of January 2026 despite the general fund allocation.

DCBPL, in consultation with the board, increased fees effective September 12, 2024, to help address the board's deficit. The fee increases included raising the initial application fee from \$250 to \$600 and increasing the biennial renewal license fee from \$600 to \$1,000. Despite the increases, the board's deficit continued to grow. At the time of the audit, DCBPL management was planning to request another fee increase to further address the deficit. The board's schedule of fees from FY 23 through January 2026 is shown in Exhibit 4 on page 7.

Exhibit 3

**Board of Chiropractic Examiners
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	\$206,007	\$ 22,988	\$315,785	\$ 16,610
General Fund Received	170,699	4,957	-	-
Other Sources	-	-	1,200	-
Total Revenues	<u>376,706</u>	<u>27,945</u>	<u>316,985</u>	<u>16,610</u>
Direct Expenditures				
Personal Services	102,697	123,273	163,758	96,096
Travel	4,811	1,353	4,509	-
Services	67,011	69,660	23,428	356
Commodities	-	-	-	-
Total Direct Expenditures	<u>174,519</u>	<u>194,286</u>	<u>191,695</u>	<u>96,452</u>
Indirect Expenditures	<u>42,679</u>	<u>46,936</u>	<u>54,358</u>	<u>27,180*</u>
Total Expenditures	<u>217,198</u>	<u>241,222</u>	<u>246,053</u>	<u>123,632</u>
Annual Surplus (Deficit)	159,508	(213,277)	70,932	(107,022)
Beginning Cumulative Surplus (Deficit)	<u>(169,392)</u>	<u>(9,884)</u>	<u>(223,161)</u>	<u>(152,229)</u>
Ending Cumulative Surplus (Deficit)	<u>\$ (9,884)</u>	<u>\$(223,161)</u>	<u>\$(152,229)</u>	<u>\$(259,251)</u>

Source: Department of Commerce, Community, and Economic Development management.

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

Exhibit 4**Board of Chiropractic Examiners
License Fees
FY 23 through January 31, 2026**

Fee Type	July 1, 2022 - September 11, 2024	September 12, 2024 - January 31, 2026
Application fee for initial license, Locum Tenens permit, or any courtesy license	\$250	\$ 600
License fee for all or part of the initial biennial license period	600	1,000
Biennial license renewal fee	600	1,000
Temporary permit fee	150	150
Examination fee	200	0
Locum Tenens permit fee	150	150
Inactive license fee	150	150
Retired status license fee	150	150
Specialty designation fee	50	50
Fee for any courtesy license	150	150
Continuing education course approval fee	125	125
Continuing education course change approval fee	50	50
Delayed renewal penalty fee	100	200
Peer review fee charged to a complainant	50	50

Source: 12 AAC 02.150

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FINDINGS AND RECOMMENDATIONS

The prior 2021 sunset audit made two recommendations:

- The Office of the Governor should make board appointments in compliance with statutory requirements.
- The Division of Corporations, Business and Professional Licensing's (DCBPL) director should allocate sufficient resources to ensure cases are addressed in a timely manner.

The prior audit recommendation to make board appointments in compliance with statutory requirements was related to a public member that had a financial interest in the health care industry. The finding was resolved when that public member was removed from the board in 2021.

The prior audit recommendation to allocate sufficient resources to ensure cases are addressed in a timely manner was also resolved. This audit reviewed nine board related cases and found no unjustified periods of inactivity.

This sunset makes one new recommendation.

Recommendation 1:

DCBPL's director should improve internal controls to ensure license fees are collected in accordance with regulations.

Auditors reviewed 21 licenses for compliance with statutes and regulations and found one applicant underpaid license fees by \$550. Further review found another five applicants had cumulative underpaid license fees by \$2,750 for a total underpayment of \$3,300.

According to DCBPL management, the underpayments were not identified by staff because a checklist used for processing applications was not updated in a timely manner when fees were increased in September 2024. Supervisory review was not sufficient to identify the underpayments.

Per AS 08.01.065, the Department of Commerce, Community, and Economic Development is responsible for establishing the amount and manner of payment of license and application fees. Failure to collect the full amount of fees contributed to a larger deficit, which may shift costs to future licensees.

We recommend DCBPL's director improve internal controls to ensure license fees are collected in accordance with regulation. Specifically, the licensing checklist used by DCBPL licensing staff should be updated in a timely manner when fees change.

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 Chiropractic Examiners (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)(5), 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 2022 through January 2026. 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 08-20128-21) to identify issues affecting the board and to identify prior sunset audit recommendations.

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- The *Legislative Budget and Audit Committee, Interim Report: Status of Board of Chiropractic Examiners Audit Recommendations, June 22, 2023*, to assess the status of prior board 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.
 - 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 the board meetings were publicly noticed in accordance with State law.
 - Various news related websites to identify complaints against the board or other board related concerns.
 - Board expenditures, revenues, and fee levels to determine whether fee levels covered the costs of operations.
 - Investigation data for board investigations that were open or opened from July 1, 2022, through January 31, 2026, to assess the efficiency of the investigative process.
 - Various websites containing information for potential duplication of board activities.

Internal controls over the Division of Corporations, Business and Professional Licensing database and investigative case management system 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.

The audit utilized the following samples:

- A random sample of six of 21 board meetings held from July 1, 2022, to January 31, 2026, was reviewed to gain an understanding of board proceedings and activities. Test results were not projected to the population. Additionally, all 21 meetings were reviewed for the nature and extent of public input, whether a quorum was maintained, whether meetings were publicly noticed, and whether board vacancies impeded operations.
- A random sample of 20 license applications was tested. Ten new applications were selected from 59 new licenses and ten from 326 renewal licenses issued from July 1, 2022, through January 31, 2026. In addition, the only locum tenens practice temporary permit that was issued during the same time period was selected for testing. License applications were assessed for statutory and regulatory compliance. The new licenses were also tested for operating effectiveness of internal controls. The sample size was based on low inherent risk and moderate audit risk. Test results were not projected to the population.
- A sample of seven of 21 board related cases open 180 days or longer from July 1, 2022, through January 31, 2026, was reviewed for unjustified periods of inactivity. In addition, the two cases open for more than 1,000 days were selected for testing. Test results were not projected to the population.

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APPENDIX SUMMARY

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

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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 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
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August 4, 2026

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

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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 Chiropractic Examiners Sunset Review. I appreciate the opportunity to respond to the draft findings related to the sunset review for the Board of Chiropractic Examiners (board) before they become final. I concur with all five conclusions and the single recommendation. Please see the following comments regarding the recommendation:

Recommendation 1: DBCPL's director should improve internal controls to ensure license fees are collected in accordance with regulations.

It is the intent and policy of the Division of Corporations, Business and Professional Licensing to ensure licensees are charged the correct fees as contained in regulation. To resolve this issue, the division has incorporated an additional step into the fee-update procedure to ensure that, whenever fees change, in addition to updating the website and application materials, the checklists used by Licensing Examiners are all updated timely to accurately reflect the revised fees.

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,

Digitally signed by:

A handwritten signature in blue ink, appearing to read "Julie Sande", is written over a blue rectangular box.

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Julie Sande
Commissioner

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

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Agency Response from the Board of Chiropractic Examiners

August 6, 2026

Kris Curtis, CPA, CISA
Legislative Auditor
Division of Legislative Audit
Alaska State Legislature
P.O. Box 113300
Juneau, AK 99811-3300

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AUG 06 2026

LEGISLATIVE AUDIT

Re: Response to Preliminary Sunset Audit Report – Board of Chiropractic Examiners

On behalf of the Alaska Board of Chiropractic Examiners, thank you for the opportunity to review and respond to the preliminary sunset audit report.

Report Conclusions

The Board concurs with the report's conclusions and appreciates the Division of Legislative Audit's thorough review of the Board's operations. We believe the audit accurately reflects the Board's performance during the audit period and recognize the value of the recommendations in promoting effective regulatory oversight.

Findings and Recommendations

The Board agrees with Recommendation 1.

Although the recommendation is directed to the Director of the Division of Corporations, Business and Professional Licensing, the Board supports strengthening internal controls to ensure that license fees are collected in accordance with applicable statutes and regulations. Specifically, the Board agrees that licensing checklists and related procedures should be updated promptly whenever statutory or regulatory fee changes occur to ensure accurate fee collection and consistent processing of applications.

The Board will continue to work cooperatively with the Division and support implementation of these improvements. We understand that responsibility for implementation rests with the Division, and we support timely completion of the recommended corrective actions.

Thank you for the professionalism and cooperation shown throughout the audit process.

Sincerely,



Dr. John Lloyd, Chair
Alaska Board of Chiropractic Examiners