

## **House Labor & Commerce**

Hearing of January 20, 2012  
HB 279

Testimony by Director Shirley Gifford, ABC Board

Representative Olson, Representative Johnson and Members of the House Labor & Commerce Committee,

Thank you for this opportunity to speak in favor of HB279, an Act that would extend the termination dates of six different boards and commissions. I am speaking specifically to the extension of the Alcoholic Beverage Control Board. I have served as the Director for the ABC Board for the past three years. For three years prior to my appointment as director I served as a member of the board of directors. I understand the important work the ABC Board conducts in the control of manufacturing, bartering, possessing, and selling of alcoholic beverages in the state.

The ABC Board is currently in the wind down year with a mandate to close our doors on June 30th. This action would set the state back significantly in the progress we have made in licensing of liquor establishments and enforcement of the laws and regulations that govern the operations of these licensed premises. We have made many positive changes within the agency and our employees are competent, professional, ethical, and helpful to licensees, members of the public, members of other agencies, and members of local governing bodies.

The ABC Board has made mistakes in the past, I fully expect we will make mistakes in the future; however, we continue to work hard to establish safeguards to lessen those mistakes. We have made excellent progress in the development of our policies and procedures as well as with our available resources, the implementation of a fair and objective strategic enforcement plan.

Since I have been in my position I have heard from industry representatives that licensees were dissatisfied with the ABC Board. Therefore, I created a written mail-in survey to gather, anonymously, if they wished, feedback from licensees. We mailed surveys to 1,439 licensees and included a self-addressed stamped envelope. After three months and the mailings all but ceased to arrive we tallied the results from 257 completed surveys. I understand an 18 percent return on mail-in surveys is a decent return.

In all rated categories from very poor to superior the licensing staff of the ABC Board scored above average to superior. In all rated categories from strongly disagree to strongly agree in areas such as the investigator demonstrated respect; the investigator explained the purpose of the visit; the investigator was knowledgeable; the investigator was professional and appropriate, the enforcement staff scored agree to strongly agree and in the one category rated from very poor to superior, e.g. if the contact was in response to the licensee's request, the process of getting the licensee's issue resolved, the enforcement staff rated above average.

The ABC Board recently contracted with the University of Alaska Anchorage to conduct a study to identify ways to achieve higher rates of compliance that are being seen in tobacco compliance checks. That report should be available within the next week or two and I believe it will provide the ABC Board with an excellent tool to guide our future in the prevention of underage persons purchasing alcoholic beverages.

In fiscal year 2011 the ABC Board for the first time, according to available records, attained the goals of percentages of compliance checks in eight regions designated by the board. In meeting our goals the compliance checks increased from 700 in fiscal year 2010 to 804 in fiscal year 2011. Compliance by industry members increased by three percent – from 85% to 88%. The goal set is 95% for all regions and three regions nearly met the goal – licensees in the Fairbanks North Star Borough were 93% compliant, in the City and Borough of Juneau were 93% compliant, and in the Mat-Su Borough were 92% compliant. The industry is on an excellent track and we look forward to improvements in other areas of the state.

This year we sent information packets to all licensees rather than just renewal forms to approximately one half of the licensees who were up for their biennial renewal. Partnering with Alaska Cabaret, Hotel, Restaurant & Retailers Association, CHARR, CHARR provided a “born on” calendar, “born on” sticker, and a brochure entitled “16 Required Points for Alcohol Server Education in Alaska.” I believe these are excellent tools that if followed by all industry members the incidences that put licensees at risk would decrease substantially. We will continue our efforts to educate. We continue to conduct formal training for any licensee who requests and we address questions received through our website. All of us at the ABC Board on a daily basis either answer questions from licensees on the phone or in e-mail, or assist licensees who come to the office.

We have a lot of work to do and to not extend the ABC Board would set us back as the state explores alternative ways to license establishments and enforce alcoholic beverage laws.

I respectfully urge you to pass HB279 that includes the extension of the ABC Board to June 30, 2015. Thank you.