

**SB**

**109**

**SFIN**

**FILE**

#2 3/28/95  
(S) L3C, FIN

# FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. SB 109

Revision Date: \_\_\_\_\_  
Title: An act relating to certain licenses and applications  
for licenses.  
Sponsor: Senator Ellis  
Requester: Senator Ellis

Department Affected: Education  
BRU: Executive Administration  
Component: Teacher Certification

COMPONENT SERIAL NO. \_\_\_\_\_ 1240

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	17.8	17.8	17.8	17.8	17.8	17.8
TRAVEL	2.0					
CONTRACTUAL	1.0					
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>20.8</b>	<b>17.8</b>	<b>17.8</b>	<b>17.8</b>	<b>17.8</b>	<b>17.8</b>

<b>CAPITAL</b>						
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<b>REVENUE FUIID SOURCE:</b>						
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**FUNDING:**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other: 1007 I/A Receipts	20.8	17.8	17.8	17.8	17.8	17.8
<b>TOTAL</b>	<b>20.8</b>	<b>17.8</b>	<b>17.8</b>	<b>17.8</b>	<b>17.8</b>	<b>17.8</b>

**POSITIONS:**

FULL-TIME	1.0					
PART-TIME	-1					
TEMPORARY						

Estimate of current year (FY95) impact: \$ \_\_\_\_\_

**ANALYSIS:** (Attach a separate page if necessary.) SB 109 would require the Department of Education, Teacher Certification Office, to compare each initial and renewal certificate applicant received daily against a consolidated list of persons in noncompliance provided by the Department of Revenue. The department would need to reclassify and fill an existing vacant part-time Clerk I to an Administrative Clerk II position to assist with the additional processing required in this legislation. SB 109 would also require the State Board to adopt regulations and there would be related travel and advertising costs. Teacher Certification staff would be involved in developing department regulations. Funding would come through a RSA with the Department of Revenue, Child Support Enforcement Agency (CSED) contingent upon approval of the fiscal note for CSED.

Prepared by: Christine Niemi, Teacher Certification Administrator Phone: 465-2857  
 Division: Administrative Services Date: 3/24/95  
 Approved by Commissioner: [Signature] Shirley Holloway  
 Agency: Education Date: 3/24/95

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SB 109

# FISCAL NOTE

3128/95  
(S) L3C, FIN

**STATE OF ALASKA**  
**1995 LEGISLATIVE SESSION**

**BILL NO. SB 109**

Revision Date: \_\_\_\_\_  
 Title: Child Support Nonpayment/Licensing Ban  
 Sponsor: Senator Ellis  
 Requestor: \_\_\_\_\_

Department Affected: Commerce and Economic Development  
 BRU: Banking, Securities and Corporations  
 Component: Banking, Securities and Corporations  
 COMPONENT SERIAL NO. 1233

**Expenditures/Revenues:** (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	29.1	24.3	24.3	24.3	24.3	24.3
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>29.1</b>	<b>24.3</b>	<b>24.3</b>	<b>24.3</b>	<b>24.3</b>	<b>24.3</b>

CAPITAL EXPENDITURES	0	0	0	0	0	0
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CHANGE IN REVENUES ( )	0	0	0	0	0	0
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
1007 Interagency Receipts	29.1	24.3	24.3	24.3	24.3	24.3
<b>TOTAL</b>	<b>29.1</b>	<b>24.3</b>	<b>24.3</b>	<b>24.3</b>	<b>24.3</b>	<b>24.3</b>

Estimate of current year (FY 95) cost: \$ 0

**POSITIONS**

FULL-TIME	.33	.33	.33	.33	.33	.33
PART-TIME						
TEMPORARY						

**ANALYSIS:** (Attach a separate page if necessary.)

- \$26.0 for FY 96 and \$21.2 for the remaining years will be used to fund one-third of an analyst/programmer for the Department of Commerce and Economic Development. This person will be shared by the Division of Banking, Securities and Corporations, Division of Insurance, and the Division of Occupational Licensing. This position is necessary to program and maintain the programs for matching records.
- \$3.1 is the cost of receiving a 9-track ASCII tape, bimonthly, from the Central Registration Depository (CRD). The CRD is the central national agency for licensing security agents and broker dealers. The cost is \$510 per tape x 6 tapes per year.

Prepared by: Wills F. Kirkpatrick, Director  
 Division: Banking, Securities and Corporations

Phone: 465-2521  
 Date: 5-10-95

Approved by Commissioner: William L. Hensley  
 Agency: Commerce and Economic Development

Date: 3-24-95

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**SENATE COMMITTEE REPORT**  
**First Committee of Referral**

DATE: 3/6/95

FURTHER: Finance

Date of 5-Day Notice: 3/23/95  
 (in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: \_\_\_\_\_

Labor and Commerce Committee considered SB 109

Certain licenses and applications for licenses for persons who are not in substantial compliance with orders, judgments, or payment schedules for child support, etc.

*4 FN's*

and recommends:

be replaced with CS SB 109 (LC)

adopt previous CS (        )

attached amendment(s)

adopt Letter of Intent by \_\_\_\_\_ Committee

further referral to the \_\_\_\_\_ Committee

Senate Bill:  
 same title  
 new title  
 House Bill:  
 same title  
 technical title  
 new: SCR# \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	<input checked="" type="checkbox"/>	<i>Hiko Miller</i>	<input checked="" type="checkbox"/>		
<i>[Signature]</i>	<input checked="" type="checkbox"/>	<i>John Ferguson</i>	<input checked="" type="checkbox"/>		
CHAIR: <i>Tom Kelly</i>	<input checked="" type="checkbox"/>				

**NEW FISCAL NOTE(S):**

Department SB & CS Date Zero Fiscal

Department	Date	Zero	Fiscal
<u>CED</u>	<u>3/17/95</u>		<input checked="" type="checkbox"/>
<u>CED</u>	<u>3/13/95</u>		<input checked="" type="checkbox"/>
<u>Educators</u>	<u>3/14/95</u>		<input checked="" type="checkbox"/>
<u>CED</u>	<u>3/10/95</u>		<input checked="" type="checkbox"/>

**PREVIOUS FISCAL NOTE(S):\***

Department Date Zero Fiscal

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

3/15/95  
(S) LRC, EN  
BILL NO. SB 109

Revision Date: \_\_\_\_\_  
Title: Certain licenses for persons who are not  
in compliance with child support orders/payments  
Sponsor: Ellis  
Requestor: House STA

Dept. Affected: Health and Social Services  
BRU: State Health Services  
Component: EMS Training & Licensing  
COMPONENT SERIAL NO. 297  
See also (SN#): \_\_\_\_\_

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	1.0	1.0	1.0	1.0	1.0	1.0
TRAVEL						
CONTRACTUAL	0.5	0.2	0.2	0.2	0.2	0.2
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>1.5</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other (please specify) 1007 I/A	1.5	1.2	1.2	1.2	1.2	1.2
<b>TOTAL</b>	<b>1.5</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY95) cost: 30.0

ANALYSIS: (Attach a separate page if necessary)

Most of the reviewing of licensing will be done during the renewal period of November through February. During this time, it is estimated that 40 hours of overtime will be required @ \$24.42/hour or \$976.80.

In addition, \$0.2 will be needed for the extra postage and printing of temporary licenses. During the first year \$0.3 will be needed for modifying the data base which will allow for electronic check of records against the list of debtors.

The funds will be transferred from the Department of Revenue, Child Support Enforcement Division for these activities.

There is no impact on FY95.

Prepared by: Peter M. Nakamura, MD, MPH  
Division: Public Health  
Commissioner: Karen Ferdon, Commissioner  
Agency: Department of Health & Social Services

Phone: (907) 465-3090  
Date: 03/09/95

Date: 3/10/95

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FISCAL NOTE SUMMARY

SB-109 - CHILD SUPPORT NONPAYMENT LICENSING BAN

<u>NO.</u>	<u>DEPT.</u>	<u>DATE</u>	<u>FY-96</u>
1	C&ED (Banking, Sec. & Copr.)	3/24/95	29.1
2	DOE (Executive Admin.)	3/24/95	20.8
3	C&ED (Insurance)	3/24/95	26.0
4	C&ED (Occupational Lic.)	3/24/95	83.5

FISCAL NOTE DID NOT TRAVEL WITH THE BILL:

H&SS (St. Health Svcs - EMS Training & Lic	3/10/95	1.5
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TOTAL: 160.9

NEW

DPS (DMV)	4/3/95	228.8	582.8 Rev.
DOR (CSED)	4/4/95	519.4	1,062.5 Rev.
DH&SS (Assistance Payments)	4/21/95	(180.0)	

FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. CS SB 109 (L & C)

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: An Act relating to certain licenses and child support BRU: Assistance Payments  
 Sponsor: Ellis Component: AFDC  
 Requestor: Senate Finance COMPONENT SERIAL NO. 220

**Expenditures/Revenues:** (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	(180.0)	(396.0)	(435.6)	(479.2)	(527.1)	(579.8)
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>(180.0)</b>	<b>(396.0)</b>	<b>(435.6)</b>	<b>(479.2)</b>	<b>(527.1)</b>	<b>(579.8)</b>

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGES IN REVENUES	0	0	0	0	0	0
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts	(90.0)	(198.0)	(217.8)	(239.6)	(263.5)	(289.9)
1003 GF Match	(1,152.5)	(2,535.5)	2,889.1)	(3,068.0)	(3,374.8)	(3,712.2)
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF, Program Receipts	1,062.5	2,337.5	2,571.3	2,828.4	3,111.2	3,422.3
1006 GF, MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other 1007 I/A Receipts	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>(180.0)</b>	<b>(396.0)</b>	<b>(435.6)</b>	<b>(479.2)</b>	<b>(527.1)</b>	<b>(579.8)</b>

**POSITIONS:**

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of any current year (FY95) cost: \$ NONE

ANALYSIS: (Attach a separate page if necessary)

The Department of Revenue projects increased child support collections as a result of this legislation.

When child support collections cause the total income of an AFDC family to exceed the AFDC program income limit, the family is ineligible for AFDC. In such cases, the child support is paid directly to the family and no AFDC payment is made. Thus, the increased child support collections anticipated as a result of this legislation reduce the cost of the AFDC program.

Prepared by: Jim Nordlund, Director Phone: 465-2640  
 Division: Division of Public Assistance Date: 7/21/95  
 Approved by Com: Karen Perdue Date: 7/21/95  
 Agency: Department of Health & Social Services

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**ANALYSIS (cont.):**

When they apply, all AFDC applicants assign to the State the right to child support collected on behalf of the AFDC child(ren) as long as the child(re) remain on AFDC. Fifty percent of the amount of child support collected on behalf of AFDC recipient families is transferred to the AFDC component as GF Program Receipts. These funds replace AFDC GF Match funds. Collections made on behalf of children whose families are eligible for AFDC do not reduce the total cost of the AFDC: they shift AFDC program funding from GF Match to GF Program Receipts.

Assumptions:

Calculations are based on the Department of Revenue projection of the increase in child support collections produced by this legislation.

The overall decrease in AFDC program costs is based on the following assumptions:

The monthly AFDC caseload is decreased by an average of 100 cases beginning in January, 1996.

The caseload reduction increases by 10 percent each fiscal year after FY 96.

Average monthly AFDC grant of cases that leave the caseload because of this legislation is \$300.

The shift in funding source calculation is based on the Department of Revenue projection of increased revenues resulting from this legislation.

Calculations**AFDC benefit cost avoidance: AFDC caseload reductions**

	<u>Total</u>	<u>GF Match</u>	<u>Fed Recipients</u>
FY 96:	(180.0)	(90.0)	(90.0)
FY 97:	(396.0)	(198.0)	(198.0)
FY 98:	(435.6)	(217.8)	(217.8)
FY 99:	(479.2)	(239.6)	(239.6)
FY 00:	(527.1)	(263.6)	(263.5)
FY 01:	(579.8)	(289.9)	(289.9)

ANALYSIS (cont.):

Shift in funding source: Collections on behalf of AFDC recipient children

	<u>GF Match</u>	<u>GF/ Prog Receipts</u>
FY 96:	(1,062.5)	1,062.5
FY 97:	(2,337.5)	2,337.5
FY 98:	(2,671.3)	2,671.3
FY 99:	(2,828.4)	2,828.4
FY 00:	(3,111.2)	3,111.2
FY 01:	(3,422.3)	3,422.3

# FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. SB 109

Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
 Title: Child Support Nonpayment/Licensing Ban BRU: Child Support Enforcement Division  
 Component: Child Support Enforcement Division  
 Sponsor: Senator Ellis  
(S)FIN COMPONENT SERIAL NO. 111

### Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	189.1	351.7	355.8	380.4	395.7	411.5
TRAVEL						
CONTRACTUAL	284.0	270.2	274.9	279.8	285.1	290.4
SUPPLIES	3.2	6.4	6.4	6.4	6.4	6.4
EQUIPMENT	83.1					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>519.4</b>	<b>628.3</b>	<b>647.1</b>	<b>666.7</b>	<b>687.2</b>	<b>708.3</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUE: ( )	1,062.5	2,337.5	2,571.3	2,878.4	3,111.2	3,422.3
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### FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	342.8	414.7	427.1	440.0	453.5	467.5
1003 GF Match						
1004 GF						
1005 GF Program Receipts						
1006 GF/MHTIA						
1018 Federal Incentive Payments	176.6	213.6	220.0	220.7	233.7	240.8
<b>TOTAL</b>	<b>519.4</b>	<b>628.3</b>	<b>647.1</b>	<b>666.7</b>	<b>687.2</b>	<b>708.3</b>

Estimate of any current year (FY95) cost: \$ 0.0

### POSITIONS

FULL-TIME	8	8	8	8	8	8
PART-TIME						
TEMPORARY						

### ANALYSIS: (Attach a separate page if necessary)

This legislation will increase collections by approximately 25%. In the first year these increased collections will generate \$2,125,000 in AFDC reimbursement, one half of which will be retained by the state. National statistics reveal that about 45% of the population is employed in non-traditional occupations and their wages are not reported to state Departments of Labor. Self-employed obligors have a very low child support payment compliance rate. Currently 64% of Alaska with child support orders do nothing. More than half of these individuals have the ability to pay, but work in a cash or self-employed position. This legislation will require that self-employed obligors establish a reporting mechanism with AFSA to obtain or retain their occupational license. Similar legislation has been enacted in 44 other states and is pending in Congress. (Continued on additional page)

Prepared by: Glenda Straube, Director  
 Division: Child Support Enforcement Division  
 Approved by: [Signature]  
 Commissioner: Wilson Cindon  
 Agency: Dept. of Revenue

Phone: 260 6201  
 Date: 4/3/95  
 Date: 4/4/95

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**ANALYSIS, CONTINUED:**

This analysis assumes an effective date of 1/1/98 and annual cost increases of 4%. Implementation is expected to require 8 Child Support Enforcement Officer I's which will ensure prompt review of proposed license denials. Contractual costs include interdepartmental expenditures as obtained from various affected agencies. Internal operating expenditures are based on estimates used in CSED FY 98 operating budget. (See attached worksheets.) Equipment costs are reflected in FY 98 only. No State general fund contributions are anticipated as program expenditures will be offset by the increase in federal incentives provided from related AFDC collections.

# FISCAL NOTE

No. 4

Bill Version: SB 109

B (S) Publish Date: 3-30-95

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

Revision Date: March 17, 1995  
 Title: An Act relating to certain licenses.... for persons  
who are not in substantial compliance...with child support,...  
 Sponsor: Senator Ellis  
 Requestor: Senator Ellis

Department: Commerce and Economic Development  
 BRU: Occupational Licensing  
 Component: Operations  
 COMPONENT SERIAL #: 1844

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	41.5	41.5	41.5	41.5	41.5	41.5
TRAVEL	5.0	5.0	5.0	5.0	5.0	5.0
CONTRACTUAL	29.7	29.7	29.7	29.7	29.7	29.7
SUPPLIES	1.0	1.0	1.0	1.0	1.0	1.0
EQUIPMENT	6.3					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>83.5</b>	<b>77.2</b>	<b>77.2</b>	<b>77.2</b>	<b>77.2</b>	<b>77.2</b>
<b>CAPITAL EXPENDITURES</b>						
<b>CHANGE IN REVENUES</b>	<b>83.5</b>	<b>77.2</b>	<b>77.2</b>	<b>77.2</b>	<b>77.2</b>	<b>77.2</b>

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other (Inter Agency Receipts)	83.5	77.2	77.2	77.2	77.2	77.2
<b>TOTAL</b>	<b>83.5</b>	<b>77.2</b>	<b>77.2</b>	<b>77.2</b>	<b>77.2</b>	<b>77.2</b>

Estimate of any current year (FY 95) cost: \$ 00

POSITIONS	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
FULL-TIME	1	1	1	1	1	1
PART-TIME						
TEMPORARY						

**ANALYSIS:** (Attach a separate page if necessary)

SB 109 prohibits the division of occupational licensing from issuing or renewing a license for a person who is not in compliance with orders, judgments, or payment schedules for child support. To comply with this bill, the division will be responsible for adapting the division's computerized licensing records to compare with the records provided by the child support enforcement division, coordinating the notification of applicants who are not in compliance, issuing the temporary licenses provided for in the bill, and responding to inquiries and complaints made to the division for refusing to issue or renew a license. (Continued on attached pages.)

Prepared by: Jennifer Strickler Admin Officer Phone: 465-2144  
 Division: Occupational Licensing Date: 3/17/95  
 Approved by Commissioner: William L. Henley Date: 3/24/95  
 Agency: Commerce and Economic Development

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# FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO.: SB 109

ANALYSIS: (Continued)

## DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT FISCAL NOTE CALCULATIONS FOR SB 109

Last year, the child support enforcement division estimated the number of licensees not in compliance with child support requirements to be between 1,350 and 5,000. A preliminary match of occupational licensees against the child support database reported a 5,200 match in names although not all of these individuals may be in violation of child support requirements. Therefore, this fiscal note is based on the lower estimate of 1,350.

The estimated costs to the division of occupational licensing to implement SB 109 are as follows:

### PERSONAL SERVICES:

\$ 41.5

*The request of one position identified below is contingent upon approval of a Paralegal position requested in the division's FY 96 Operating Budget. Although the Paralegal position was requested to implement the student loan default program (a program with similar responsibilities to those established in this bill), the division anticipates utilizing part of that position to provide support to the child enforcement program as well. If the position is not authorized, this fiscal note will be revised to add staff since the one position shown below is not sufficient to fully implement the provisions of this bill alone and the division is unable to absorb further responsibilities without additional staff resources.*

1 - Occupational Licensing Examiner I, Range 12, PFT, Juneau

This position will analyze the 1,350 applicants matched by computer with the child support enforcement data and provide further manual analysis to determine which applicants are not in compliance with child enforcement requirements; send notices to the applicants; communicate with child support enforcement for release information; coordinate with other licensing staff for the issuance of a temporary license; coordinate withholding of licenses with enforcement staff, etc.

### TRAVEL:

\$ 5.0

The travel associated with SB 109 is for the purpose of checking on licensees who continue to practice without a license after expiration of the 150 day temporary permit. The cost identified is based on four two-day trips between Anchorage and Juneau, three two-day trips between Anchorage and Fairbanks, and trips to other areas of the state as necessary.

**CONTRACTUAL:**

\$ 29.7

Costs for contractual services covers:

Printing of temporary permits and licenses, \$1.0

Telephone and fax costs, \$3.5

Certified mail and other postage costs, \$4.5

Computer programming costs, \$20.7 (this funding is based on one-third of a programmer position of which full costs are anticipated to be shared with two other divisions)

**SUPPLIES:**

\$1.0

The cost of supplies is estimated to be \$1.0 for the new position.

**EQUIPMENT: (One-time costs)**

\$ 6.3

This is a one-time cost for equipment and office set-up for the new position.

**TOTAL:**

\$83.5

**REVENUE:** Inter-Agency Receipts to cover program costs.

**FUND SOURCE:** The division anticipates funding to be provided by inter-agency receipts from the Department of Revenue, which may include federal funding received by that department.

Fees collected by licensees affected by SB 109 can be used to offset the amount of inter-agency receipts from the Department of Revenue. Unlike the general fund program receipts from other licensing programs, the requirements of this bill do not relate to "regulation of the profession", therefore, licensing fees of an occupation will not be increased to pay for compliance with the requirements of this bill.

# FISCAL NOTE

No. 5  
 Bill Version: SB 109  
 (S) Publish Date: 3-30-95

STATE OF ALASKA  
 1995 LEGISLATIVE SESSION

BILL

Revision Date: \_\_\_\_\_  
 Title: Child Support Nonpayment/Licensing Bar.  
 Sponsor: Senator: Ellis  
 Requestor: \_\_\_\_\_

Department: Commerce and Economic Development  
 BRU: Insurance  
 Component: Operations  
 COMPONENT SERIAL NO. \_\_\_\_\_ #354

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	26.0	21.2	21.2	21.2	21.2	21.2
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>26.0</b>	<b>21.2</b>	<b>21.2</b>	<b>21.2</b>	<b>21.2</b>	<b>21.2</b>

CAPITAL EXPENDITURES

CHANGE IN REVENUES

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other 1007 Interagency Receipts	25.0	21.2	21.2	21.2	21.2	21.2
<b>TOTAL</b>	<b>25.0</b>	<b>21.2</b>	<b>21.2</b>	<b>21.2</b>	<b>21.2</b>	<b>21.2</b>

Estimate of any current year (FY 95) cost: \$ 00

POSITIONS  
 FULL-TIME \_\_\_\_\_  
 PART-TIME \_\_\_\_\_  
 TEMPORARY \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary)  
 There are three divisions impacted by this legislation within the Department of Commerce & Economic Development: Insurance, Banking, Securities, & Cert. and Occupational Licensing. Each division is preparing a fiscal note which reflects one-third of the cost of an Analyst/Programmer IV, R-19 since each of our licensing programs will have to be modified and maintained for the new licensing and notice requirements to be implemented by this legislation. It is the intent of each division to RSA these funds to DCED's Division of Administrative Services since the data processing unit for the department is within that division.

Prepared by: Joan Brown, Administrative Officer Phone: 465-2597  
 Division: Insurance Date: 3/13/95  
 Approved by Commissioner: William L. Hensley Date: 3/21/95  
 Agency: Commerce and Economic Development

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# FISCAL NOTE

No. 2  
 Bill Version: SB 109  
 (S) Publish Date: 3-30-95

STATE OF ALASKA  
 1995 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_  
 Title: An act relating to certain licenses and applications for licenses.  
 Sponsor: Senator Ellis  
 Requester: Senator Ellis

Department Affected: Education  
 BRU: Executive Administration  
 Component: Teacher Certification

COMPONENT SERIAL NO. 1240

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	17.8	17.8	17.8	17.8	17.8	17.8
TRAVEL	2.0					
CONTRACTUAL	1.0					
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>20.8</b>	<b>17.8</b>	<b>17.8</b>	<b>17.8</b>	<b>17.8</b>	<b>17.8</b>

CAPITAL

**REVENUE FUND SOURCE:**

**FUNDING:**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other: 1007 L/A Receipts	20.8	17.8	17.8	17.8	17.8	17.8
<b>TOTAL</b>	<b>20.8</b>	<b>17.8</b>	<b>17.8</b>	<b>17.8</b>	<b>17.8</b>	<b>17.8</b>

**POSITIONS:**

FULL-TIME	1.0					
PART-TIME						
TEMPORARY						

Estimate of current year (FY95) impact: \$ \_\_\_\_\_

**ANALYSIS:** (Attach a separate page if necessary.) SB 109 would require the Department of Education, Teacher Certification Office, to compare each initial and renewal certificate applicant received daily against a consolidated list of persons in noncompliance provided by the Department of Revenue. The department would need to reclassify and fill an existing vacant part-time Clerk I to an Administrative Clerk II position to assist with the additional processing required in this legislation. SB 109 would also require the State Board to adopt regulations and there would be related travel and advertising costs. Teacher Certification staff would be involved in developing department regulations. Funding would come through a RSA with the Department of Revenue, Child Support Enforcement Agency (CSED) contingent upon approval of the fiscal note to CSED.

Prepared by: Christine Niemi, Teacher Certification Administrator Phone: 465-2857  
 Division: Administrative Services Date: 3/24/95  
 Approved by Commissioner: [Signature] Shirley Holloway  
 Agency: Education Date: 3/24/95

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# FISCAL NOTE

No. 1

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

Bill Version: SB109

(S) Publish Date: 3-30-95

Revision Date: \_\_\_\_\_

Department Affected: Commerce and Economic Development

Title: Child Support Nonpayment/Licensing Ban

BRU: Banking, Securities and Corporations

Component: Banking, Securities and Corporations

Sponsor: Senator Ellis

COMPONENT SERIAL NO. 1233

Requestor: \_\_\_\_\_

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	29.1	24.3	24.3	24.3	24.3	24.3
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>29.1</b>	<b>24.3</b>	<b>24.3</b>	<b>24.3</b>	<b>24.3</b>	<b>24.3</b>
<b>CAPITAL EXPENDITURES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CHANGE IN REVENUES ( )</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
1007 Interagency Receipts	29.1	24.3	24.3	24.3	24.3	24.3
<b>TOTAL</b>	<b>29.1</b>	<b>24.3</b>	<b>24.3</b>	<b>24.3</b>	<b>24.3</b>	<b>24.3</b>

Estimate of current year (FY 95) cost: \$ 0

**POSITIONS**

FULL TIME	.33	.33	.33	.33	.33	.33
PART-TIME						
TEMPORARY						

**ANALYSIS:** (Attach a separate page if necessary.)

- \$25.0 for FY 96 and \$21.2 for the remaining years will be used to fund one-third of an analyst/programmer for the Department of Commerce and Economic Development. This person will be shared by the Division of Banking, Securities and Corporations, Division of Insurance, and the Division of Occupational Licensing. This position is necessary to program and maintain the programs for matching records.
- \$3.1 is the cost of receiving a 9-track ASCII tape, bimonthly, from the Central Registration Depository (CRD). The CRD is the central national agency for licensing security agents and broker-dealers. The cost is \$510 per tape x 6 tapes per year.

Prepared by: Willis F. Kirkpatrick, Director  
Division: Banking, Securities and Corporations

Phone: 465-2521  
Date: 5-10-95

Approved by Commissioner: William L. Hensley  
Agency: Commerce and Economic Development

Date: 3-24-95

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# FISCAL NOTE

**STATE OF ALASKA**  
**1995 LEGISLATIVE SESSION**

**BILL NO: CSSB 109(L&C)**

Revision Date \_\_\_\_\_ Dept. Affected Public Safety  
 Title: An Act relating to child support enforcement, BRU Motor Vehicles  
suspending driver's license Component Driver Services/Field Services  
 Sponsor: Senator Ellis  
 Requestor: S L&C COMPONENT SERIAL NO. 0500 &0502

**EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)**

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	155.5	83.3	83.3	83.3	83.3	83.3
TRAVEL	1.5	1.5	1.5	1.5	1.5	1.5
CONTRACTUAL	23.8	11.9	11.9	11.9	11.9	11.9
SUPPLIES	2.0	1.0	1.0	1.0	1.0	1.0
EQUIPMENT	40.0					
LAND & STRUCTURES						
GRANTS CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>222.8</b>	<b>97.7</b>	<b>97.7</b>	<b>97.7</b>	<b>97.7</b>	<b>97.7</b>

<b>CAPITAL EXPENDITURES</b>	<b>.0</b>	<b>.0</b>	<b>.0</b>	<b>.0</b>	<b>.0</b>	<b>.0</b>
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<b>CHANGE IN REVENUES (1004 Revenue Code)</b>	<b>582.8</b>	<b>183.2</b>	<b>183.2</b>	<b>183.2</b>	<b>183.2</b>	<b>183.2</b>
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**FUNDING: (Thousands of Dollars)**

1002 Federal Receipts						
1003 GE Match						
1004 GE	222.8	97.7	97.7	97.7	97.7	97.7
1005 GE/Program Receipts						
1006 GE/MHTIA						
Other						
<b>TOTAL</b>	<b>222.8</b>	<b>97.7</b>	<b>97.7</b>	<b>97.7</b>	<b>97.7</b>	<b>97.7</b>

Estimate of current year (FY 95) impact \$ \_\_\_\_\_

**POSITIONS:**

FULL-TIME	4	2	2	2	2	2
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS (Attach a separate page if necessary)

SEE ATTACHED

Prepared By Juanita Mensley Phone 465-2650  
 Division Motor Vehicles Date 3/30/95  
 Approved by Commissioner *Ronald L. Orr* Date 4-3-95  
 Agency Ronald L. Orr, Dept. of Public Safety

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Fiscal Note Analysis  
CSSB 109 (L&C)

This bill impacts the Division of Motor Vehicles by requiring the suspension of a driver's license of any person who is not in substantial compliance with a child support order. Under the provisions of this bill, the Division of Child Support Enforcement will be required to send the notice of driver license suspension to a person who is found to be in non-compliance with a child support order. The notice will give the person 150 days to comply with the order. If after the 150 days the person is not in compliance, the Division of Child Support Enforcement will notify DMV to suspend the driver's license. Once notice is received, from CSED, DMV will take action to suspend the driver's license.

The impact to DMV will be the actual suspending of the driver's license and the process of re-issuing of the license once the person is in compliance with the child support order.

CSED has notified DMV there are approximately 10,702 obligors who are in excess of \$2500.00 or more in arrears. DMV verified through a computer verification that approximately 35% of the obligors driver's licenses are currently suspended, revoked or have warrant warrants for their arrest for some reason. Because of this, it is estimated 3,500 driver's license suspensions will be generated the first year. It is further estimated after the first year's initial suspension action, the number of driver license suspensions will be reduced. It is estimated in the future years, 1,000 driver's licenses will be suspended for non-support.

The impacts from this bill will result in 7,000 updates to the driving record of the persons whose license is being suspended. One computer entry to add the suspension to the driving record, and another entry to end the suspension once the person has complied. Reinstating the driver's license will also impact the DMV field offices. The Motor Vehicle Representative will be required to see proof from CSED that the person is in compliance with their child support order before reinstating the driver's license. It is estimated 90 percent of all persons whose license is suspended will reinstate their driver's license. A \$100.00 reinstatement fee is charged anytime a person has had their license suspended or revoked within a 10 year period preceding application for a driver's license. It is estimated 1,575 individuals will pay the \$100. If the license is suspended or revoked more than one time within a 10 year period preceding application, a \$250 reinstatement fee is required. It is estimated 1,575 individuals will be required to pay the \$250. It is estimated the amount of additional new general fund program receipt revenue generated by this bill is approximately \$582.8 for FY96 and \$183.2 in the following years.

Total number of suspension notices received from CSED by DMV	3,500
Total number of suspension notices being ended when a person complies	3,150
Total number of license reinstatements	3,150

<u>OPERATING</u>	<u>FY96</u>	<u>FY97</u>
<u>Personal Services</u>	Salary and Benefits	
Driver Services Supervisor R14 (Juneau)	\$47.2	\$47.2
Motor Vehicle Representative II (Juneau)	\$36.1	
2 Motor Vehicle Representative II (Anch) (2 FY96 @ \$36.1)	<u>\$72.2</u>	<u>\$36.1</u>
TOTAL PERSONAL SERVICES	<u>\$155.5</u>	<u>\$83.3</u>
<u>Travel</u>		
Administrative Travel for mainline supervisor	\$1.5	\$1.5
<u>Contractual</u>		
Computer line charges (Mainframe connection) \$0.5 per workstation	\$2.0	\$1.0
Telephone lease and line charges	\$2.2	\$1.1
Office lease space allocation 880 sq ft @ \$1.85 per sq ft	<u>\$19.5</u>	<u>\$9.8</u>
TOTAL CONTRACTUAL	<u>\$23.8</u>	<u>\$11.9</u>
<u>Supplies</u>		
Routine office supplies	\$2.0	\$1.0
<u>Equipment</u>		
4 Computer workstations @ \$10.3 each (One time costs)	\$40.0	
TOTAL OPERATING	<u>\$222.8</u>	<u>\$97.7</u>

Fiscal Note Analysis  
CSSB 109 (L&C)

<u>REVENUE</u>	<u>FY96</u>	<u>FY97</u>
3,150 Reinstatements: 1,575 @ \$100; 1,575 @ \$250	\$551.3	
3,150 Duplicate license fees @ \$10	\$31.5	
990 Reinstatements: 495 @ \$100; 495 @ \$250		\$173.3
990 Duplicate license fees @ \$10		\$9.9
<b>TOTAL REVENUE</b>	<b>\$582.8</b>	<b>\$183.2</b>

# FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. SB 109

Revision Date:		Dept. Affected:	Revenue
Title:	<u>Child Support Nonpayment/Licensing Ban</u>	BRU:	<u>Child Support Enforcement Division</u>
Sponsor:	<u>Senator Ellis</u>	Component:	<u>Child Support Enforcement Division</u>
	<u>GFIN</u>	COMPONENT SERIAL NO.	<u>111</u>

**Expenditures/Revenues** (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	189.1	351.7	365.8	390.4	395.7	411.3
TRAVEL						
CONTRACTUAL	294.0	270.2	274.9	279.9	285.1	290.8
SUPPLIES	3.2	6.4	6.4	6.4	6.4	6.4
EQUIPMENT	83.1					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>519.4</b>	<b>628.3</b>	<b>647.1</b>	<b>666.7</b>	<b>687.2</b>	<b>708.3</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )	1,092.5	2,337.5	2,571.3	2,828.4	3,111.2	3,422.3
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts	342.3	414.7	427.1	440.0	453.5	467.5
1003 GF Match						
1004 GF						
1005 GF Program Receipts						
1006 GF MMTIA						
1018 Federal Incentive Payments	176.6	213.6	220.0	226.7	233.7	240.8
<b>TOTAL</b>	<b>518.9</b>	<b>628.3</b>	<b>647.1</b>	<b>666.7</b>	<b>687.2</b>	<b>708.3</b>

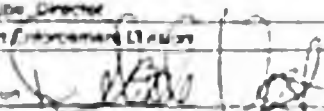
Estimate of any current year (FY95) cost: \$ 00

**POSITIONS**

	8	4	8	8	8	8
FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS** (Attach a separate page if necessary)

This legislation will increase collections by approximately 25%. In the first year, these increased collections will generate \$2,125,000 in AFDC Yr. 1 payments, one-half of which will be retained by the State. Statistical studies reveal that about 45% of the population is employed in non-vocational occupations and their wages are not retained within the Department of Labor. Self-employed obligors have a very low child support payment compliance rate; currently 64% of Alaskans with child support orders pay nothing. More than half of these individuals have the ability to work, but work in a cash or self-employed position. This legislation will insure that self-employed obligors are both PROHIBITED from paying child support and to retain their occupational license. Similar legislation has been enacted in seven other states and is pending in Congress. (Continued on additional page)

Prepared by:	<u>Glenda Straube, Director</u>	Phone:	<u>268 8201</u>
Division:	<u>Child Support Enforcement Division</u>	Date:	<u>4/3/95</u>
Approved by:		Date:	<u>4/11/95</u>
Commissioner:	<u>Wilson Condon</u>		
Agency:	<u>Dept. of Revenue</u>		

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**ANALYSIS, CONTINUED:**

This analysis assumes an effective date of 1/1/96 and annual cost increases of 4%. Implementation is expected to require 8 Child Support Enforcement Officer I's which will ensure prompt review of proposed license denials. Contractual costs include interdepartmental expenditures as obtained from various affected agencies. Internal operating expenditures are based on estimates used in CSED FY 96 operating budget. (See attached worksheets.) Equipment costs are reflected in FY 96 only. No State general fund contributions are anticipated as program expenditures will be offset by the increase in federal incentives provided from related AFDC collections.

FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. CS SN 109 (I. & C)

Revision Date \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title An Act relating to certain licenses BRU Assistance Payments  
and child support Component: AFDC  
 Sponsor Ellis  
 Requestor Senate Finance COMPONENT SERIAL NO. 220

**Expenditures/Revenues:** (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	00	00	00	00	00	00
TRAVEL	00	00	00	00	00	00
CONTRACTUAL	00	00	00	00	00	00
SUPPLIES	00	00	00	00	00	00
EQUIPMENT	00	00	00	00	00	00
LAND & STRUCTURES	00	00	00	00	00	00
GRANTS, CLAIMS	(180.0)	(396.0)	(435.6)	(479.2)	(527.1)	(579.8)
MISCELLANEOUS	00	00	00	00	00	00
<b>TOTAL OPERATING</b>	<b>(180.0)</b>	<b>(396.0)</b>	<b>(435.6)</b>	<b>(479.2)</b>	<b>(527.1)</b>	<b>(579.8)</b>
CAPITAL EXPENDITURES	00	00	00	00	00	00
CHANGES IN REVENUES	0	0	0	0	0	0

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts	90.0	(198.0)	(217.8)	(239.6)	(263.5)	(289.9)
1003 GF Match	(1,152.5)	(2,535.5)	(2,889.1)	(3,168.0)	(3,374.8)	(3,712.2)
1004 GF	00	00	00	00	00	00
1005 GF Program Receipts	1,062.5	2,337.5	2,671.3	2,828.3	3,111.2	3,422.3
1006 GF M-NTIA	00	00	00	00	00	00
Other 1007 A Receipts	00	00	00	00	00	00
<b>TOTAL</b>	<b>(180.0)</b>	<b>(396.0)</b>	<b>(435.6)</b>	<b>(479.2)</b>	<b>(527.1)</b>	<b>(579.8)</b>

**POSITIONS:**

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of any current year (FY95) cost: \$ NONE

ANALYSIS: (Attach a separate page if necessary)

The Department of Revenue projects increased child support collections as a result of this legislation.

When child support collections cause the total income of an AFDC family to exceed the AFDC program income limit, the family is ineligible for AFDC. In such cases, the child support is paid directly to the family and no AFDC payment is made. Thus, the increased child support collections anticipated as a result of this legislation reduce the cost of the AFDC program.

Prepared By: Jim Nordlund, Director Phone: 465-2540  
 Division: Division of Public Assistance Date: 4/21/95  
 Approved by Com: Karen Petersen Date: 4/21/95  
 Agency: Department of Health & Social Services

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**ANALYSIS (cont.):**

When they apply, all AFDC applicants assign to the State the right to child support collected on behalf of the AFDC child(ren) as long as the child(re) remain on AFDC. Fifty percent of the amount of child support collected on behalf of AFDC recipient families is transferred to the AFDC component as GF Program Receipts. These funds replace AFDC GF Match funds. Collections made on behalf of children whose families are eligible for AFDC do not reduce the total cost of the AFDC; they shift AFDC program funding from GF Match to GF Program Receipts.

Assumptions:

Calculations are based on the Department of Revenue projection of the increase in child support collections produced by this legislation.

The overall decrease in AFDC program costs is based on the following assumptions:

The monthly AFDC caseload is decreased by an average of 100 cases beginning in January, 1996.

The caseload reduction increases by 10 percent each fiscal year after FY 96.

Average monthly AFDC grant of cases that leave the caseload because of this legislation is \$300.

The shift in funding source calculation is based on the Department of Revenue projection of increased revenues resulting from this legislation.

Calculations**AFDC benefit cost avoidance: AFDC caseload reductions**

	<u>Total</u>	<u>GF Match</u>	<u>Fed Recipients</u>
FY 96	(180.0)	(90.0)	(90.0)
FY 97	(396.0)	(198.0)	(198.0)
FY 98	(435.6)	(217.8)	(217.8)
FY 99	(479.2)	(239.6)	(239.6)
FY 00	(527.1)	(263.6)	(263.5)
FY 01	(579.8)	(289.9)	(289.9)

## ANALYSIS (cont.):

Shift in funding source: Collections on behalf of AFDC recipient children

	<u>GF Match</u>	<u>GF/ Prog Receipts</u>
FY 96:	(1,062.5)	1,062.5
FY 97:	(2,337.5)	2,337.5
FY 98:	(2,671.3)	2,671.3
FY 99:	(2,828.4)	2,828.4
FY 00:	(3,111.2)	3,111.2
FY 01:	(3,422.3)	3,422.3