

**HB**

**228**



ALASKA STATE LEGISLATURE  
REPRESENTATIVE JOHN HARRIS  
STATE CAPITOL 513, JUNEAU, ALASKA 99801-1182 (907) 465-4859

MEMORANDUM

May 1, 2001

To: Senator Gene Therriault, Chair  
Senate State Affairs Committee

From: Representative John Harris *JH*

Subject: HB 228 – Tobacco sales to minors

HB 228 has passed the House and been referred to the Senate State Affairs committee. The aim of HB 228 is to reduce the sale of tobacco products to minors, which takes place at an alarmingly high rate across Alaska. I would appreciate it very much if you would schedule it for a hearing as soon as your calendar can accommodate it.

Thank you for your expeditious attention to this request. Attached are basic background materials for HB 228. If you need more detailed information or have any questions, please contact me or John Manly of my staff.



ALASKA STATE LEGISLATURE  
REPRESENTATIVE JOHN HARRIS  
STATE CAPITOL 513, JUNEAU, ALASKA 99801-1182 (907) 465-4859

Sponsor Statement  
HB 228 - Tobacco Sales Enforcement

Alaska has a huge problem with the sale of tobacco products to kids. In a recent survey of tobacco retailers initiated by the Department of Health and Social Services, it was determined that nearly 2/3 of vendors in rural Alaska sold tobacco products to children, while more than 1/3 of those in urban Alaska did.

This will take a toll on these young people if they continue to use tobacco products into their adult years, in terms of unnecessary illness and early death. It also continues to place a heavy burden on health care providers whose duty it is to help those who are battling tobacco related disease. The cost to the public will continue to spiral upward. Additionally, the state is liable, under the federal Synar amendment, for a penalty of \$1.5 million (to be deducted from its drug and alcohol abuse block grant) because the rate of sales to minors is above the 20 percent federal limit. If increased state enforcement effort of at least \$481,687.00 is approved through the fiscal notes for this bill, the Synar penalty will be lifted.

HB 228 seeks to derail some of the ever-growing problem of tobacco sales to minors – and the consequences down the road – by beefing up enforcement of state laws prohibiting the sale of tobacco products to minors, and it does so in several areas.

First, the CS proposes fining a business that sells tobacco to minors from \$300 on a first offense to \$2,500 on a fourth offense. It also provides for mandatory suspensions and possible revocation of the endorsement to sell tobacco products if multiple violations take place over a two-year period. The bill also gives authorized employees or agents of the Department of Health and Social Services the authority to issue citations for certain tobacco offenses.

The bill would increase revenues from tobacco vendors to help pay for enforcement efforts by raising the fee for a tobacco endorsement on a business license from \$25 to \$100. It would also require a separate endorsement for each location at which a retailer sells tobacco products. Current law requires only one, regardless of how many locations or outlets a business has in which it sells tobacco.

In sections unrelated to the problem of tobacco sales to minors, HB 228 also adds language to allow the Department of Revenue to keep better track of compliance with the tobacco settlement.



ALASKA STATE LEGISLATURE  
REPRESENTATIVE JOHN HARRIS  
STATE CAPITOL 513, JUNEAU, ALASKA 99801-1182 (907) 465-4859

Sectional Summary  
CSHB 228 (Fin) – Tobacco Sales Enforcement

Section 1 – Amends AS 37.05.146(b)(4) to add tobacco endorsement fees to the list of “designated program receipts”.

Section 2 – Adds a new section (40.25.105) to allow Department of Revenue to disclose information to the attorney general and others to assure compliance with the Master Settlement Agreement. Person receiving information is bound to confidentiality as well.

Section 3 – Adds a new section (43.50.145): (Regards brands – not sales to minors) Department of Revenue would notify a licensee in writing when they have determined that a manufacturer has failed to comply. After the department notifies manufacturer of brands, the company has 30 days to destroy those brands or return them to the manufacturer or distributor. After that they become contraband and are subject to confiscation. The department may allow tax credit for returned or destroyed product.

Section 4 – Amends 43.70.075(a) Community and Economic Development. This section would require a business license tobacco endorsement **for each location** where tobacco products are sold. Current law only requires one tobacco endorsement statewide no matter how many stores or outlets are utilized by the business. It also adds that a person may not apply for an endorsement if an endorsement issued for the same location is currently suspended or revoked and indicates such endorsement would be void.

Section 5 – Amends AS 43.70.075(b) to raise the fee for a tobacco endorsement from \$25 to \$100. (Good for 2 years). Labor and Commerce committee added language to require the department to include vendor education material, describing the penalties for selling to minors, when it issues a business license with endorsement.

Section 6 – Amends AS 43.70.075(d) to provide for mandatory suspension of a tobacco endorsement following a conviction for a violation of AS 11.76.100, .106, or .107. This section also now includes civil fines, which have been reduced from the original HB 228. Provides a \$300 fine and 20 day suspension to be assessed for a first conviction; \$500

*Sectional Summary*

and 45 days for a second within 2 years; \$1,000 and 90 days for a third; and \$2,500 and one year suspension for a fourth conviction. Both fine and suspension are mandatory; in current statute, the suspension is discretionary, fines are nonexistent.

Section 7 – Amends 43.70.075(e) to clarify that the endorsement suspension is only for the location in which the violation occurs.

Section 8 –adds several new subsections to AS43.70.075.

(k) Adds language that allows for a civil conviction when someone violates (a), having an endorsement for each location that sells tobacco.

(l) This allows a person with vending machines to have one endorsement for all the vending machines, regardless of location. Changes made in Judiciary committee ensure that if the owner of the vending machine violates this section, the resulting suspension applies only to the vending machine where the violation occurred.

(m) This establishes the process for suspending the endorsement. The department will hand deliver, or send by certified mail, the notice of suspension, and pertinent information. The suspension will begin 30 days after receipt of the notice unless the endorsement holder requests a hearing within the timeline set in regulations. The hearing officer will use the preponderance of evidence test. This section includes the questions that the hearing officer will use to determine his/her findings.

(n) The commissioner has the option of accepting the hearing officer's findings, require more proceedings or reject the hearing officer's decision.

(o) If a person disregards the suspension, the department has the option of revoking the endorsement or increasing the period of suspension. This section also disallows that person from having or seeking an endorsement for up to 2 years.

(p) Provides that a person who sells tobacco products, but fails to post a sign that it is illegal to sell tobacco products to minors, may be assessed a civil fine of \$250 for each day of the violation, not to exceed \$5,000. The department may not suspend or revoke a tobacco endorsement for violation of the signage provision.

(q) This allows the department to establish the necessary regulations. It also states that the Administrative Procedures Act does not apply to these hearings.

(r) This section defines when a person has acted within the scope of the agency or business that has the endorsement. It also defines when a conviction occurs, as well as the civil process.

(s) Provides a civil penalty of up to \$250 per day (not to exceed \$5,000) for a person who sells tobacco products without obtaining a business license tobacco endorsement.

Section 9 – Adds a new subsection to AS 43.70.105 to require a person who sells tobacco products to have a business license and a tobacco endorsement.

Section 10 – This section gives the Department of Health and Social Services the authority to issue citations for certain tobacco offenses. The citation must be in writing and contain a notice to appear in court within at least 5 working days (not including holidays or weekends). It does not have to be signed by the person receiving the citation. This section lays out the department's responsibility for issuing citation books, and that the department will deposit the issued citation with the local court of jurisdiction. The department will need to make sure the citation form meets with court rules and includes essential information to be considered a lawful complaint. The Judiciary committee added "sideboards" to make sure that a peace officer, agent or employee of DHSS who will be issuing the citations is authorized by the commissioner to enforce this section.

Section 11 – Adds new uncodified law that includes establishment of regulations.

Section 12 – Allows existing endorsement holders to continue to use that endorsement for the balance of that endorsements timeframe.

Section 13 – Establishes immediate effective dates for sections 2-4, 11 and 12.

Section 14 – Establishes an effective date of July 1, 2001 for sections 1 and 5.

Section 15 – Establishes an effective date of January 1, 2002 for remaining sections.

# FISCAL NOTE

**STATE OF ALASKA**  
**2001 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: CSHB 228(L&C)  
 (H) Publish Date: 4/20/01

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Revenue  
 Title: Sale of Tobacco Products BRU: Revenue Operations  
 Component: Tax Division  
 Sponsor: Representative Harris  
 Requester: House Labor and Commerce Committee Component Number: 2476

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

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

See attached

Prepared by: Johanna Bales Phone 269-6628  
 Division: Tax Division Date/Time April 13, 2001, 10 a.m.  
 Approved by: Larry Persily, Deputy Commissioner Date 4/13/01  
 Agency: Department of Revenue

For distribution information, call the Governor's Legislative Office

## **Department of Revenue Bill Analysis**

### **HB 228 – Tobacco Enforcement - April 13, 2001 - FN#1**

The Department of Revenue supports HB 228, which would increase the penalties for selling cigarettes to individuals under the age of 19 and give the Department of Revenue new tools to enforce the nationwide Master Settlement Agreement (MSA) signed by the major cigarette producers and states.

Under the provisions of the MSA, entered into and subsequently adopted by the State of Alaska under AS 45.53, cigarette manufacturers that did not sign the MSA (nonparticipating manufacturers) must establish and fund escrow accounts for the benefit of the State of Alaska. If the state fails to enforce this provision of the MSA, the state can be sued by manufacturers that signed the MSA (participating manufacturers) and could potentially lose some or all of its payments under the agreement.

Alaska expects to receive approximately \$28 million each year from the MSA, provided the payments are not reduced for failing to enforce the provisions of the agreement.

The following sections of HB 228 would enhance the Department of Revenue's ability to protect the state's revenue from the MSA:

#### **Section 3. Disclosure of information for compliance with the tobacco product Master Settlement Agreement.**

The Department of Revenue is responsible for determining the amount of escrow payments that must be made by each nonparticipating manufacturer each year. The information used to determine the amount of the escrow payments comes from cigarette tax and tobacco product tax returns filed with the Department of Revenue. The Department of Law is responsible for suing those nonparticipating manufacturers that fail to make escrow payments. Although the Department of Revenue may provide information to the Department of Law at the time an official investigation begins, it is precluded from sharing this information with other states and entities that may aid the Department of Revenue in enforcing the MSA. We believe this section of the bill is needed to allow for increased sharing of information with the Department of Law and other entities, such as the National Association of Attorneys General and the Federation of Tax Administrators. Both of these agencies are heavily involved with aiding states in enforcing the provisions of the MSA.

**Section 4. Notification of noncompliance; confiscation of noncomplying cigarettes.**

The MSA was recognized and adopted by the State of Alaska effective June 3, 1999. For the period June 3, 1999, through December 31, 1999, the Department of Revenue identified 23 nonparticipating manufacturers that sold cigarettes into Alaska. Of these 23 nonparticipating manufacturers, only three have established and funded escrow accounts as required in AS 45.53. Section 4 of this bill would prohibit the state's cigarette and tobacco products licensees from importing and selling cigarettes made by nonparticipating manufacturers that have failed to comply with AS 45.53. This provision is needed to aid in the enforcement of the MSA and protect Alaska's current and future payments under the MSA.

# FISCAL NOTE

**STATE OF ALASKA**  
**2001 LEGISLATIVE SESSION**

Fiscal Note Number: 2  
Bill Version: CSHB 228(L&C)  
(H) Publish Date: 4/20/01

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Law  
Title "An Act relating to the offense of selling or BRU Civil Division  
giving tobacco to a minor, ..." Component Fair Business Practices  
Sponsor Representative Harris  
Requester House Labor and Commerce Committ Component No. 2206

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

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	60.6	60.6	60.6	60.6	60.6	60.6
Travel	0.2	0.2	0.2	0.2	0.2	0.2
Contractual	9.4	9.4	9.4	9.4	9.4	9.4
Supplies	0.8	0.8	0.8	0.8	0.8	0.8
Equipment	6.5					
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>77.4</b>	<b>70.9</b>	<b>70.9</b>	<b>70.9</b>	<b>70.9</b>	<b>70.9</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1007 Interagency Receipts	77.4	70.9	70.9	70.9	70.9	70.9
<b>TOTAL</b>	<b>77.4</b>	<b>70.9</b>	<b>70.9</b>	<b>70.9</b>	<b>70.9</b>	<b>70.9</b>

Estimate of any current year (FY2001) cost: 0.0

**POSITIONS**

Full-time						
Part-time	1	1	1	1	1	1
Temporary						

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

HB 228 provides additional tools to prohibit the sale of tobacco to minors.

Several changes are made to the current requirement that a person selling tobacco products must have a tobacco endorsement attached to their state business license. The fee for a two-year tobacco endorsement would be increased from \$25 to \$100. The bill would require a tobacco endorsement for each location and outlet where the business sells tobacco products. Current law requires only one, no matter how many store locations or outlets a business uses to sell tobacco products. This change will make it easier to track locations or outlets where tobacco products are sold to be sure the tobacco tax and other law are being uniformly followed. This change, as well as the increased endorsement fee, would help offset the increasing cost of the administration and enforcement of endorsement requirements. The bill establishes civil penalties in the form of significant fines for those who sell tobacco without an endorsement, for sale of gray market cigarettes, and failure to post required warning signs. It would

Prepared by: Joan M. Kasson Phone 465-5370  
Division: Attorney General's Office Date/Time 4/12/01 2:57 PM  
Approved by: Kathryn Daughhete for Bruce M. Botelho, Attorney General Date 4/12/01  
Agency: Department of Law

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## FISCAL NOTE

STATE OF ALASKA  
2001 LEGISLATIVE SESSION

BILL NO. HB 228 - FN#2

### ANALYSIS CONTINUATION

establish a streamlined administrative process for suspending the endorsements of those businesses who violate the state's laws on selling tobacco products to minors. It would also allow for the revocation of endorsements or an increase in the suspension period if the person continues the conduct which led to an endorsement during a suspension period.

A recent survey initiated by the Department of Health and Social Services indicated that nearly two-thirds of tobacco vendors in rural Alaska sold tobacco products to children, and more than one-third of the vendors in urban Alaska did. Federal law requires no more than a 20 percent noncompliance rate. In order to improve Alaska's noncompliance rate, DH&SS anticipates approximately 1,500 enforcement checks each year will be performed if this bill is enacted.

The Department of Law estimates the services of one-half of a full-time equivalent attorney position will be necessary to provide the necessary legal services associated with the compliance checks and the administrative process resulting from any noncompliance. This position will be funded by interagency receipts from the Department of Health and Social Services, and will be assigned to the Fair Business Practices section in the Anchorage office of the Civil Division.

This estimate is based on our prior experience with tobacco compliance checks and endorsement proceedings under current law. The few cases undertaken in FY99 took an average of 27 hours of attorney time each to complete. With the streamlined process intended by this bill, cases should move faster. However, none of the cases pursued in FY99 went to administrative hearing, which by requiring additional time, may offset the gains from the streamlined procedure to some extent.

Using the department's FY02 standard attorney cost schedule, the fiscal impact from this legislation for the Civil Division's Fair Business Practices section would be \$70,888. This cost includes clerical support, communications, space, supplies, data processing, and other normal overhead expenses. The standard cost does not include one-time new equipment purchases, and \$6,500 is added in FY02 for this purpose.

# FISCAL NOTE

**STATE OF ALASKA**  
**2001 LEGISLATIVE SESSION**

Fiscal Note Number: 4  
 Bill Version: CSHB 228(L&C)  
 (H) Publish Date: 4/20/01

Revision Date/Time (Note if correction): 04/11/2001 11:37a.m. Dept. Affected: DCED  
 Title: An Act relating to the offense of selling or giving BRU: Occupational Licensing  
tobacco to a minor..... Component: Occupational Licensing  
 Sponsor: Representative Harris  
 Requester: House Labor and Commerce Component Number: 2360

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

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	100.5	100.5	100.5	100.5	100.5	100.5
Travel	10.0	10.0	10.0	10.0	10.0	10.0
Contractual	19.6	19.6	19.6	19.6	19.6	19.6
Supplies	5.0	5.0	5.0	5.0	5.0	5.0
Equipment	4.0					
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>139.1</b>	<b>135.1</b>	<b>135.1</b>	<b>135.1</b>	<b>135.1</b>	<b>135.1</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES (1156 RSS)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other - 1007 Inter-Agency Receipts	139.1	135.1	135.1	135.1	135.1	135.1
<b>TOTAL</b>	<b>139.1</b>	<b>135.1</b>	<b>135.1</b>	<b>135.1</b>	<b>135.1</b>	<b>135.1</b>

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:  

**POSITIONS**

Full-time	2	2	2	2	2	2
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)  
 Provisions of the bill that affect AS 43.70 require a tobacco endorsement for each location or outlet in a location where a business offers tobacco products for sale; authorize tobacco enforcement to act upon adjudication of violating the law; and simplify suspension action of business license tobacco endorsements. A detailed explanation of the expenditures and revenue shown above is attached.

Prepared by: Jennifer Strickler, Administrative Manager Phone (907) 465-2144  
 Division: Occupational Licensing Date/Time 04/11/2001 11:37a.m.  
 Approved by: Commissioner Deborah B. Sedwick Date 4/11/2001  
 Agency: Department of Community and Economic Development

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Fiscal Note - DCED

ANALYSIS: (continued)

HB 228: An Act relating to the offense of selling or giving tobacco to a minor....

Page 2 of 2 - FN#4

The expenditures provide the following in support of changes to AS 43.70, business license tobacco endorsements -

1 - Administrative Clerk II, Range 10, GGU, 12 months to process tobacco endorsement applications from each location and outlets in a location, to disseminate information regarding the tobacco endorsement requirement, and to promote the proactive enforcement program by administratively doing compliance checks of businesses required to hold tobacco endorsements; \$38.8

1 - Investigator III, Range 18, GGU, 12 months to prepare and coordinate cases, issue suspension notices, and present cases to the hearing officer if a hearing is requested; \$61.7

PERSONAL SERVICES: \$100.5

TRAVEL for the Investigator and/or Hearing Officer should it become necessary. \$10.0

Contract Hearing Officer time based on approximately 3 days per case at \$975/case, and assuming at least 15 cases will go to hearing in the fiscal year; \$14.6

Printing forms, endorsements, and communications costs; \$5.0

CONTRACTUAL SERVICES: \$19.6

SUPPLIES for daily operations relating to tobacco endorsements; \$5.0

EQUIPMENT (one-time costs) for support staff; \$4.0

TOTAL Fiscal Note Request: \$139.1

#### REVENUE

Assumes the endorsement fee changes to \$100 and endorsements are purchased by 1,000 locations and outlets.  $1,000 \times \$100 \text{ fee} = \$100.0$

# FISCAL NOTE

**STATE OF ALASKA**  
**2001 LEGISLATIVE SESSION**

Fiscal Note Number: 5  
 Bill Version: CSHB 228 (FIN)  
 ( H ) Publish Date: 4/26/01

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Health & Social Services  
 Title: Relating enforcement of tobacco laws BRU: State Health Services  
 Component: Community Health/EMS Services  
 Sponsor: Rep. Harris  
 Requester: House (FIN) Component Number: 2078

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

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	72.1	77.1	82.1	87.1	92.1	97.9
Travel	60.9	60.9	60.9	60.9	60.9	60.9
Contractual	344.4	344.4	344.4	344.4	344.4	344.4
Supplies	2.0	2.0	2.0	2.0	2.0	2.0
Equipment	8.5					
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>487.9</b>	<b>484.4</b>	<b>489.4</b>	<b>494.4</b>	<b>499.4</b>	<b>505.2</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1119 Tobac Sell	487.9	384.4	389.4	394.4	399.4	405.2
Other (Statutorily Designated Rcpts.)		100.0	100.0	100.0	100.0	100.0
<b>TOTAL</b>	<b>487.9</b>	<b>484.4</b>	<b>489.4</b>	<b>494.4</b>	<b>499.4</b>	<b>505.2</b>

Estimate of any current year (FY2001) cost: 230.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

**POSITIONS**

Full-time	1	1	1	1	1	1
Part-time						
Temporary						

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

Alaska's statewide tobacco-sales-to-minors enforcement efforts were funded for that past three years on a grant from the Food and Drug Administration (FDA). In March 2000 this funding ended abruptly when the US Supreme Court ruled that the FDA had no regulatory authority over tobacco. Since that time, funding has been diverted from community-based tobacco prevention and control efforts, as well as alcohol and drug abuse prevention and treatment, to continue enforcement activities. Currently, federal substance and alcohol abuse treatment funds are threatened to be reduced because of high tobacco sales to youth noncompliance rates.

An effective enforcement program includes community-based enforcement, year-round enforcement checks, accountability of sales staff and vendors, and vendor education and training. This bill would enable such a program. It also would provide revenues to offset part of the program costs. Program costs would include the following:

Prepared by: Karen Pearson, M.S. Phone (907) 465-3090  
 Division: Public Health Date/Time: \_\_\_\_\_  
 Approved by: Elmer A. Lindstrom, Special Assistant Date 4/25/01 4:25 PM  
 Agency: Department of Health & Social Services

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## ANALYSIS: (continued)

\$72,095 for personnel costs include a full-time project coordinator, responsible for: (1) facilitating an inter-departmental working group with the Division of Public Health, the Division of Alcohol and Drug Abuse, the Civil and Criminal Divisions of the Department of Law, the Department of Public Safety, and the Division of Occupational Licensing; (2) developing an interagency working agreement; (3) developing vendor education; (4) coordinating enforcement efforts; (5) administering contracts with local police departments; and (6) facilitating community education and community development. This line also includes 10% of the existing tobacco prevention and control program manager who is responsible for coordinating the overall tobacco prevention and control program, as well as 25% of an existing part-time administrative clerk II. The expenditure line is projected to increase over the next 5 years to cover annual meritorious increases.

\$60,860 for travel costs include: (1) 18 coordination trips for project and program coordinators to meet with community-based partners and the Alaska Tobacco Control Alliance (ATCA); (2) transporting enforcement staff and youth to communities where investigations will occur; and (3) project coordinator attendance at the annual Synar conference.

\$344,400 in contractual services costs include: (1) contracts with local police departments and officers to conduct the enforcement checks (approximately 1,000 checks will occur each year); (2) contracts to design, print, and distribute vendor educational materials to assist vendors in meeting state law; (3) training of vendors in the use of these materials; (4) RSAs with the Departments of Law and Commerce and Economic Development for adjudicating noncompliance cases; and (5) other administrative costs.

\$2,000 is included for office supplies and program materials.

\$8,500 is included for computer equipment and a workstation in the FY02.