

ALASKA LEGISLATURE

HOUSE and SENATE FINANCE COMMITTEE FILES,

1993-1994

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Facts about the Alaska Employer Reporting Project

- The initial Alaska Employer Reporting Project targeted employers who historically hire large percentages of child support obligors. From 1991 to present, the Alaska Employer Reporting Project was limited to the top 30 employers in the state.
- 12% of all child support collections from May 1991-to present were a result of this previous statute.
- The Alaska Employer Reporting Project is supported by affected employers.
- The Alaska Employer Reporting Project reduced public assistance payments from October 1991 to present.
- The Alaska Employer Reporting Project increased by 88% the number of paternity complaints served and a 7% increase in the number of administrative orders served.
- Over 90% of employers in Alaska employ fewer than 20 workers are exempt from this bill.
- During the oil spill, VECO supplied information voluntarily which enabled the state to collect an additional half million dollars in delinquent child support.

Source: Child Support Enforcement Division

STATE OF ALASKA

DEPARTMENT OF REVENUE

CHILD SUPPORT ENFORCEMENT DIVISION

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March 7, 1994

The Honorable Fran Ulmer
Room 601 Court
State Capitol
Juneau, AK 99801-1182

Dear Representative Ulmer:

Enclosed is a copy of the Second Year Evaluation of the Employer Reporting Project for the Child Support Enforcement Division. Also provided is a brief synopsis of the key areas for your information.

Thank you in advance for your continued support of the Child Support Enforcement Program. If you or your staff have questions concerning this project you can contact Vickie Mitchell the Project Manager at 263-6337 or myself at 263-6279.

Sincerely,



Mary Gay
Director

EMPLOYER REPORTING PROJECT STATUS AFTER THE FIRST TWO YEARS

The Alaska Legislature amended child support laws in the 1991 Legislative Session, to allow the Child Support Enforcement Division to require selected employers, with 20 or more employees, to report all new hires and rehires to the Alaska Child Support Enforcement Division within 30 days. Alaska was subsequently awarded a three year Employer Reporting Project demonstration grant which began in October of 1991. Alaska is in the third year of this three year demonstration grant.

The first year of the project targeted reporting from employers who reported 50 or more "obligor employees" during the proceeding three years. There was a 35% increase in collections from the prior year which were attributed to the Employer Reporting Project.

The second year of the project extended the target group to seasonal employers. Seasonally employed obligors were often missed due to the delay of information reported to the Department of Labor. There was a 35% increase in the number of obligors found among the seasonal workers and a 27% increase in collections from the prior year were attributed to the Employer Reporting Project.

In the third year of the project employers will be selected by industry type.

The Employer Reporting Project clearly demonstrates that the prompt identification of newly hired or rehired employees enables Alaska Child Support Enforcement Division to initiate withholding sooner with resulting increased collections. The early reporting of information also assisted in the location of alleged fathers thereby expediting the establishment of paternity and support orders.

Contact Vickie Mitchell, Interstate Manager, at 907-269-6900 please leave a message and she will return your call..



AER

ALASKA EDUCATIONAL RESOURCES

**EMPLOYER REPORTING PROJECT EVALUATION
(Second Year)**

PREPARED FOR

**CHILD SUPPORT ENFORCEMENT DIVISION
550 W. 7TH AVENUE, SUITE 310
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2/14/94

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ACKNOWLEDGEMENTS

This evaluation could not have been completed without the assistance of Alaska Child Support Enforcement Division Staff who worked closely with the evaluation team in the definition of the task, location and development of critical data, selection of comparison groups, and preparation of needed reports.

Vickie Mitchell was responsible for the overall project. She freely provided her time and expertise in helping the evaluation team to understand the functioning of CSED data systems, explaining the coding and processing of information, facilitating the collection of information, and serving as a liaison with other CSED staff.

The data processing staff played a special role in the completion of the evaluation. Susan Goodman participated in planning and problem solving meetings. Merrill Hagens developed and refined the reports on which the evaluation rests. Ms. Hagens freely shared her programming expertise, was unflagging in her assistance in providing useful reports, and was able to quickly resolve data related problems.

EXECUTIVE SUMMARY

The Alaska Child Support Enforcement Division of the Alaska Department of Revenue has successfully established a direct employer reporting program to aid in the identification of individuals who owe child support and to speed up the process of making collections. The second year of the federally funded pilot project has extended the program to include employers which have large numbers of known obligors, brought on during the first year, and those employing seasonal workers.

There were substantial increases in the number and amount of collections from project obligors. The goal of a 25% increase in collections was more than achieved with an actual increase of 27%. The percent of payments relative to obligations reached 77% for the original employers group and 81% for the seasonal employers.

There was a substantial increase in the dollar amount of child support orders with the average obligation for employees of firms participating in the program increasing by 12% (\$3,094 to \$3,472). This did not quite meet the program goal of a 15% increase.

There was a more than 500% increase in the number of withhold and distribute orders in the second year of the program with the most notable increase in successful locates being found in the newly added seasonal group. The number who were successfully located increased from 4 in the pre-project year to 362 in the first year of reporting for seasonal obligors.

There was a ten fold increase in the number of modifications from 6 to 61 which went far beyond the 12% called for in the proposal.

The cost effectiveness ratio surpassed the target of 1:3 with approximately \$3.09 collected for each dollar spent on the program. The total collection which might be attributed to the program based on an increase of 2.3 payments per obligor is \$621,690.

The employer reporting system has proved successful in meeting the program goals of implementing a direct employer reporting system which speeds up the location of obligors and increases the number of payments made for child support.

The Child Enforcement Support Division made a substantial effort to increase collections and the number of reviews and modifications for all obligors. This overall activity of CSED resulted in the employer reporting groups and the comparison groups to achieve statistically significant gains. While the employer reporting groups consistently have the highest obligations and percentage of collections, the comparison groups made notable gains and, perhaps because of the nature of the jobs and employers, have higher average payments. This suggests that the expansion of the employer reporting system to include additional employers will result in even greater gains in collections in year three of the program.

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**Child Support Enforcement
Employer Reporting Project
Second Year Evaluation - February, 1994**

INTRODUCTION

Child support enforcement is always difficult. Agencies must locate and attach the income of absent parents who often do not willingly pay for the support of their children. In 1990, only 38% of monthly scheduled obligations were collected and only 33% of those payments were made voluntarily. Alaskan children are due more than 30 million dollars in support.¹

Another continuing problem directly related to the support of children is establishing paternity. As many as 20% of the children born in the United States are born to single mothers. From 50-80% of children in the households receiving AFDC are born to unmarried parents. A key element in the collection of child support for the children of unmarried mothers is the identification and location of the absent father.²

Prior to the development of the Employer Reporting Project, the Child Support Enforcement Division (CSED) matched records of obligors against Alaska Department of Labor, Employment Security Division quarterly reports. The time from the employment of an obligor to the successful match of CSED files against the DOL files could take as long as five months. The five month lag made for a substantial delay in the collection of child support from some obligors and permitted other obligors who work in the highly seasonal Alaskan economy to completely avoid payments.

The Alaska Legislature recognized the problems related to the collection of child support and revised the laws in 1991 to speed up the process of obligor identification and collection. Beginning January 1, 1992, employers with 20 or more employees were required upon notification to provide information concerning new hires and rehires on a monthly basis directly to the Alaska Department of Revenue Child Support Enforcement Division.³

The employer reporting law is a "pilot project" with an expiration date of January 1, 1995. If the direct reporting of employers provides the benefit of increased child support without undue hardship to employers, it is expected that permanent legislation will be passed which will make direct employer reporting a continuing feature of child support enforcement.

¹Glenda Straube, Employer Reporting Project: First Year Evaluation - Alaska's Improvement Demonstration Grant. Child Support enforcement, Department of Revenue, State of Alaska, Juneau, AK, December, 1992.

²Child Support Technology Transfer Project. A Guide to Initiating A Paternity Consent Process, Office of Child support enforcement, 1989, p. 5.

³1991 Session Laws of Alaska, CSHB43(FIN)am Chapter 75.

The Alaska Child Support Enforcement Division found funding for a three year direct employer reporting demonstration project from the United States Department of Health and Human Services Administration for Children. The CSED proposal called for the implementation of the Alaska Employer Reporting Project over three years.

- Year 1- establish the employer reporting project with employers who have historically hired large percentages of obligors.
- Year 2 - extend the employer reporting system to collections from seasonal workers who would have otherwise been missed entirely (fishing, tourism, construction).
- Year 3 - emphasize increased collections from employers in specified industries (SIC codes).

The same four hypotheses were set out for the three periods, changing only the groups of obligors identified for emphasis and analysis.¹ The hypotheses set out in the grant application are:

1. Collections will significantly increase from obligors who work for employers in the target, or experimental, groups.
2. Obligor in the target groups will be identified and served in a shorter period of time for purposes of paternity and order establishments.
3. There will be a greater proportion of child support modifications in AFDC cases in the target group than in the control group.
4. Modifications in the target group will generate an increase in monthly child support due.

The performance standards set out in the grant are ambitious and reflect high expectations about the effects of the project. These goals set out in the grant are a clear guide for use in judging the success of the project. It is expected that:

1. For purposes of total collections, the project will be considered successful if there is a 25% increase in the amount of collections from the targeted group.
2. The project will be considered successful if the cost/effectiveness ratio of collections for the target groups meets or exceeds \$3.00.

¹Glenda Straube, Employer Reporting Project: First Year Evaluation - Alaska's Improvement Demonstration Grant. Child Support enforcement. Department of Revenue, State of Alaska, Juneau, AK, December, 1992.

3. The project will be considered successful if there is a 12% increase in the successful locations of absent parents for paternity and order establishments.
4. The project will be considered successful if there is a 12% increase in the number of modifications and a 15% increase in the dollar amount of child support orders in the target group.

The CSED developed a series of procedures for direct reporting. Employers are encouraged to file reports on magnetic tape, computer disk, or paper reports. CSED staff met with employers and provided information to employers to assist in developing reporting procedures.

PARTICIPATING EMPLOYERS

Employers were selected for participation by the CSED, following the pattern proposed in the grant, with a first year emphasis on the employers with the largest numbers of obligors and second year expansion to employers with seasonal workforces. Companies were chosen from an Alaska Department of Labor report which identified the largest 100 employers in the state based on CSED experience with the employment patterns of obligors. Table 1 lists the participating employers and the number of obligors identified for each employer during the second year of the evaluation.

Employers in the first year included some of the largest retail and service companies in the state. Second year employers tended to be much more seasonal and include a number of businesses related to tourism, fishing, logging, and other summer activities. A few of the employers had no obligors during the second year of the project.

Table 1
Participating Employers - Year Two Obligor

Target Group 1 Employers	N	Target Group 2 Employers	N
S.E. Stevedoring Corp	71	Klukwan Forest Products	7
State of AK - Dept. of Administration	128	Anchorage Cold Storage	1
McDonalds	42	Taku Smokeries	2
Northwest Arctic Borough School District	45	J.C. Penney Co.	8
West Coast Stevedoring Corp	2	Phoenix Logging	1
H.C. Price Cons. Co.	8	Tundra Tours	9
H.C. Price Co.	24	Icicle Seafoods	6
University of Alaska	39	Maniilaq Association	10
AK Pulp Corporation	20	Cominco Alaska	2
Carr Gottstein Foods Co.	52	Unalakleet Native Corp.	2
KTN Pulp Mill	9	Norton Sound Health Corp.	4
VRCA Environmental Services	18	Cook Inlet Processing Inc.	28
Houston Contracting Co - AK Ltd.	37	ERA Aviation	3
Osborne Consol Co. , Osborne Const.	18	Inlet Fisheries Inc	10
VECO Inc	40	Sheraton Anchorage Hotel	4
Burger King	17	Peak Oilfield Svc. Co.	16
Tesoro Northshore Co.	27	Nabors Alaska Drilling Inc.	6
North Slope Borough School Dist.	4	Beaver Village Council	1
Natchiq Inc.	4	Anchorage Westward Hilton Corp.	2
North Slope Borough	9	Trident Seafoods Corp.	6
AK Petroleum Contractors	56	Alaska Commercial Company	7
NANA Marriott Joint Venture	15	Fred Meyer Shopping Centers	8
Westmark Hotels	5	Denali Commercial Mgmt. Co.	1
Pizza Hut	20	Hoovers Movers Inc.	1
Arco AK Inc.	3	Yukon Kuskokwim Health Svc. Co.	8
CONAM Const.	3	Hickel Investment	1
Anchorage School District.	40	SE AK Regional Health Corp.	1
NW. Restaurants - Burger King	2	Sea Land Freight Svc.	2
Tesoro Petroleum Corp.	4	Sea Alaska Heritage Foundation	1
Carr Gottstein Properties	1	Anchorage Daily News	2
Dragnet Fisheries Co.	3	Denali Foods Co.	8
Captain Cook Hotel	5	Tlingit & Haida Community Council	1

table cont

Participating Employers cont

Target Group 1 Employers	N	Target Group 2 Employers	N
Municipality of Anchorage	12	Port Graham village Council	1
Seahawk Seafoods Inc.	4	Lamonts Inc.	2
ABM Company of the West	24	Safeway Inc.	1
United Healthservices Inc.	3	Market Basket Inc.	4
Tesoro Northstore Co.	4	PACE Membership Warehouse	3
Fairbanks Memorial Hospital	4	U.I.C. Construction Inc.	1
Call Earl #1 Chevron	4	United Parcel Svc. Inc.	2
Delta Western	1	ARA Services	4
GE Operations Support	3	Campbell Inc.	1
Maniliag Manpower	1	Woolworth Corp.	4
CONAM Alaska	1	Southeast Ak Regional Health Corp	2
Carr Gottstein Inc.	1	Peter Pan - King Cove	3
		Alaska Sales and Service	3
		Ribelin Lowell & Co.	1
		Klondike Painting and Decorating	1
		Sound Development	1
		North Pacific Processors	3
		Hope Cottages	0
		U-Haul of Alaska	3
		City of Kwethluk	1
		Tommvs Inc.	2
		Spenard Builders Supply	3
		Costco Wholesale Corp.	2
		Earth Movers of Fairbanks	1
		ENSTAR Natural Gas Co.	1
		Markair Express Co.	1
		AK Specialized Ed. & Training	1
		Golden Frontier Enterprises	1
		Alaska Airlines	0
		Forty Niner Transportation Inc.	1
		AK Aviation Radio	1
		E.&S. Diversified Svcs	2
		Pavless Drug Stores	1
		Markair	4
		Sears Roebuck and Co	2
		1st National Bank of Anchorage	1
		Alaska USA Federal Credit Union	0

The evaluation for the first year (9 months) of the project found a 37% increase in collections from obligors, a cost effectiveness ratio of 2:1, and a 47% increase in the service of paternity and order establishments. The report failed to provide tests of significant differences for gains and did not address the increase in the percentage of modifications or the increase in dollar amount of support orders.

The second year evaluation extends the first year evaluation to cover the period 10/1/92 to 9/30/93. It examines the major questions identified in the grant proposal and extends the analysis to include statistical testing for the significance of differences.

METHODOLOGY

Alaska Educational Resources developed a research design based on the information provided by CSED, the data available from CSED data files, and the requirements of the grant. Target groups of first and second year participants and comparison groups were identified based on a uniform set of criteria. The criteria included the following:

- Each case must be an active case during the critical time periods.
- Each case must contain complete data.
- Each case must clearly fall into only one of the identified groups.

COMPARISON GROUPS		
GROUPS	PRE	POST
<u>TARGET #1</u>		
Obligors Represented by Employers with Large # Matches	1/1/91 - 9/30/91 ⁰ 10/1/91 - 9/30/92 ¹	1/1/92 - 9/30/92 ¹ 10/1/92 - 9/30/93 ²
<u>TARGET #2</u>		
Obligors Represented by Seasonal Employers	10/1/91 - 9/30/92 ⁰	10/1/92 - 9/30/93 ¹
<u>COMPARISON</u>		
Obligors Represented by Employers Not Reporting ^a	1/1/91 - 9/30/91 10/1/91 - 9/30/92	1/1/92 - 9/30/92 10/1/92 - 9/30/93
⁰	This period represents the time when employer reporting was not in effect.	
¹	This time frame represents the first period employer reporting was in effect.	
²	This time frame represents the second period employer reporting was in effect.	
^a	Two comparison groups were pulled for the '92-'93 period to match the size of each target group. The larger one is about 3 times the size of the smaller.	

Target and comparison groups were selected by CSED. The two target groups, first year companies and second year companies, were reviewed by Alaska Educational Resources. Cases excluded from the analysis included those with errors in data entry, coding problems, or missing transaction dates. Altogether, 80 of a potential 1,173 cases were excluded resulting in an exclusion rate of 6.8%.

CSED developed a series of reports which calculated the number of participants in various groups, averages of various amounts, actions with related time periods, and the standard deviations related to various averages. Alaska Educational Resources verified the calculations by independently calculating statistics from samples of data. Costs attributed to the employer reporting system, which included amortized costs of equipment and excluded the costs of evaluation, were provided by Vickie Mitchell of CSED.

Where appropriate, mean differences from pre- and post-periods and between target and comparison groups were tested using t-tests for repeated measures.¹ Computations were done using Excel 4.0 on a Macintosh computer. Statistics were then compared with a standard table to determine if the critical values required for statistical significance had been attained.²

RESULTS

Results, which follow, are presented as answers to a series of questions derived from the hypotheses and performance standards articulated in the CSED grant proposal. The emphasis in the analysis is on the growth from pre- to post-reporting periods and cost. Means for obligations and payments were statistically compared from pre- to post-periods and between Target and Comparison groups. Pre- and Post-test differences reported below are substantial and statistically significant. Worksheets showing the means, differences, t-test values, degrees of freedom, and levels of significance are attached in Appendix A.³

Did the program speed up the process of locating obligors and issuing orders?

The most direct measure of the effect of the process is the number of days between the date that an obligor is hired and the service of a withhold and deliver order. The fewer the days, the higher the number of potential payments and the more likely that a seasonally employed obligor will be located in time to make some collection. Similarly, the shorter the time, the more likely that an individual will be identified for the service of other potential orders.

¹Formulae for mean comparisons for averages and differences were derived from William L. Hays, *Statistics for the Social Sciences*, 2nd. NY: Holt, Rinehart and Winston, 1973. Formulae for calculating the degrees of freedom for testing the significance of differences between group differences were derived from Jay Devore, *Probability and Statistics for Engineering Science*, 2nd., Pacific Grove CA: Brooks Grove Publishers, 1991.

²E.S. Pearson and H.O. Hartley (eds.), *The Biometrika Tables for Statisticians*, vol. 1, *Biometrika*, 1966.

³Standard deviations are large because of distributions which reflect the differences between groups of obligors who make few payments and those who make regular payments. The data does not appear to have a normal distribution.

When the differences between the pre- and post-periods for the two selected target groups are considered, it is clear that the program is effective in shortening the time for service of withhold and delivers orders.

Table 2
Pre-Post Comparison of Orders - All Groups
Number of Orders and Average Number of Days

	Pre-Period						Post-Period					
	WID		Paternity		Admin		WID		Paternity		Admin	
	N	Days	N	Days	N	Days	N	Days	N	Days	N	Days
All	241	22	57	32	79	31	1,463	9	61	64	66	43
T-1	228	22	44	32	55	30	911	7	41	69	38	51
C-1	625	19	41	14	51	37	703	22	23	18	53	30
T-2	4	5	9	18	19	38	362	9	10	72	16	27
C-2	154	12	4	22	11	26	208	11	16	46	24	33

All = All obligors with employer reporting/ T-1 = First Year Emp./T-2 = Seasonal
C-1 & C-2 = Related comparison groups

Overall, there is a substantial decrease in the time for a withhold and deliver order to be issued with a 9 day average in the post-reporting period and a 22 day average in the pre-reporting period. That is an overall gain of 13 days or approximately 60%.

When the original first year employer and seasonal employer groups are examined separately it appears that the 15 day gain made by the original group is greater than the 4 day gain for the seasonal groups. However, only 4 of the 362 seasonal obligors served in the second period had actually been found during the first period.

This increase from 4 to 362 obligors found in the seasonal group compares with an increase from 154 to 208 found in the control group, a 35% increase. This phenomenal increase in the number of obligors found among the seasonal workers may be the most significant result of the second year of the program.

The gain found in the number and the speed of issuance of withhold and deliver orders was not matched by increases in the issuance of other types of orders. The time for issuance of paternity orders increased from 32 to 64 days. The time lag for Administrative orders grew from 31 to 43 days. Of course, the issuance of Paternity and Administrative Orders are subject to a variety factors beyond those related to withhold and deliver orders and are less directly related to the identification of the initial place of employment.

Did the employer reporting system increase the amount collected?

The overall collections from 1173 individuals participating in employer reporting were \$3,145,239. This was an increase of \$667,173 or 27%. Part of this increase is due to administrative orders increasing some obligations to reflect increases in the rate of inflation. There was also an increase in the number of case reviews and administrative orders for all groups in 1993 over 1992 which is reflected in the substantial increases in the collections for both the target and comparison groups.

Tables 3, 4, and 5 provide a breakdown of the average collections by obligor for both of the Target groups. The first table reflects the pre- and post-periods for the first year (9 months) for Target Group 1. The two tables that follow indicate changes in collections for the current year. The substantial increases in percentages of collections reflect the overall increase in the efforts of CSED to review all cases and to increase collections.

Table 3
Pre-Post Change in Collections - Target Group 1
Average Total Collections per Obligor
1/1/91 through 9/30/91; 1/1/92 through 9/30/92

	Pre-Period	Post-Period	Change
	Collected	Collected	
Target Group 1 - Large # Matches N = 308	\$ 1,374	\$ 1,693	+ 23%
Comparison Group 1 N = 322	\$ 1,045	\$ 1,479	+ 42%

Table 4
Pre-Post Change in Collections - Target Group 1
Average Total Collections per Obligor
10/1/91 through 9/30/92; 10/1/92 through 9/30/93

	Pre-Period	Post-Period	Change
	Collected	Collected	
Target Group 1 - Large # Matches¹ N = 839	\$2,301	\$2,808	+22%
Comparison Group 1 N = 859	\$1,763	\$2,492	+41%

¹This is the second year of participation in employer reporting for this group.

Table 5
 Pre-Post Change in Collections- Target Group 2
 Average Total Collections per Obligor
 10/1/91 through 9/30/92; 10/1/92 through 9/30/93

	Pre-Period	Post-Period	Change
	Collected	Collected	
Target Group 2 - Seasonal N = 258	\$ 1,884	\$ 2,524	+ 34%
Comparison Group 2 N = 267	\$ 1,731	\$ 2,348	+ 36%

Examination of the tables shows that consistently higher amounts were collected from employer reporting groups. There were substantial, statistically significant¹ gains in the amounts collected for both the target and comparison groups.

Table 6 shows that employees who were under employer reporting tended to make more payments with a lower average payment than for the obligors indicated in the comparison groups. Target Group 1 obligors made an average of 12.5 payments of \$225 dollars while the members of the comparison group made only 9.8 payments of \$254. Obligor with the seasonal employers identified as Target 2, made an average of 10.2 payments of \$252 while comparison group 2 made on average 8.6 payments of \$274.07. The difference in payment amounts, of course, is related to both the amount of obligation and the wages available for collection. No effort was made to examine the average wages paid by the various companies though examination of the companies suggests that a large number of the institutions identified in the first year are engaged in retail trade or service industries where wages tend to be lower.

Table 6
 Collections and Obligations - All Groups
 Averages per Obligor

	Average # Payments	Average Obligation	Average Amount Paid Per Obligor	Average Payment	Percent of Oblig. Paid
Target Group 1 - Large # Matches	12.48	\$3,662.41	\$2807.89	\$224.96	76%
Comparison 1	9.8	\$3,629.29	\$2,492.13	\$253.61	69%
Target Group 2 - Seasonal	10.02	\$3,122.48	\$2,523.88	\$251.71	82%
Comparison 2	8.56	\$3,530.97	\$2,347.50	\$274.07	66%

¹See Appendix A for summary of statistical comparisons.

Comparison of the mean differences in payments shows that for both the Target 1 and Target 2 groups the increase in total paid obligations was statistically significant from the pre to post-periods. The average increase for the employee in the Target 1 group for the second year of group reporting was \$507 ($p < .01$, $t = 3.62$, $df = 838$). The average increase for the employee in the Target 2, Seasonal group for the first year of employer reporting over the prior year was \$639 ($P < .05$, $t = 2.64$, $df = 259$).

When the gains are examined as a percentage of the obligation, it is clear that the employer reporting system is having an effect. The Target Group 1 obligors in the employer reporting system are paying 77% of their annual obligation as opposed to those in the comparison group who are paying only 69%. For the seasonal group, the employer reporting group are paying an average of 81% of their obligations while those in the comparison group only paid 66%.

It is likely that one of the primary reasons for the increase in the percentage of payments relative to obligation is due to the increased average number of payments for the employer reporting groups. The 2.7 additional payments generated for the employers with large numbers of obligors would translate into an average increase in payments of \$602.89 or approximately 16% of the total obligation. For the seasonal worker group, the average of 1.46 additional payments would result in an increase of \$367.49 or approximately 12% of the total obligation.

Increased payments are a means of reducing the gap which exists between payments and obligations. When examined as the difference in the ratio between payments and obligations over the two years, the percentages of gap reduction are notable and reflects the increases in percentage of obligation paid for both the employer reporting and the comparison groups. The Target Group 1, is, of course, in the second year of the employer reporting project and had notable increases in the amount of obligations and amount paid during the prior year. As a result Group 1 has a smaller gap to close.

Table 7
Payment to Obligation Gap Reduction - All Groups
Averages per Obligor

	Pre-Period		Post-Period		Pd/ Oblig Change	Gap Reduction
	Pd/Oblig	% Paid	Pd/Oblig	% Paid		
Target Group 1 - Large # Matches	\$2,301/3,346	69%	\$2,808/3,662	77%	+8%	12%
Comparison 1	\$1,763/3,045	58%	\$2,492/3,629	69%	+11%	19%
Target Group 2 - Seasonal	\$1,884/2,861	66%	\$2,524/3,122	81%	+15%	23%
Comparison 2	\$1,731/2,965	59%	\$2,348/3,531	67%	+8%	14%

While there were significant increases in the amount of collections for both target and comparison groups, the gains made by the employer reporting group had a greater impact on the reduction of the total percentage of obligation than the increases in collections for the comparison groups.

Did employer reporting result in an increase in successful locations for order establishments?

There are a variety of types of orders issued by CSED related to the establishment of obligations beyond the basic Withhold and Deliver Orders, which have been discussed extensively in a prior section. Other common orders relate to establishing paternity or the amount to be withheld and delivered by an employer. Table 2 above provides an overall view of the changes in orders between the pre- and post-comparison periods. The increase in Withhold and Deliver Orders from 241 to 1,463 reflects an increase of over 500% in successful services.

When the groups in employer reporting are contrasted with their comparison groups, the comparable gains are from 625 to 703 (12%) for Comparison Group 1 and 154 to 208 (35%) for comparison group 2. The increase for the Target Group 1 from 228 to 911, approximately 300%, suggests that the substantial gains experienced with a group of employers will continue as the project matures.

Table 8 indicates that the number of successful services for Paternity Complaints and Administrative Orders were not substantially different from period 1 to period 2 for those under employer reporting. Table 2 above shows similar small differences for the target and comparison groups.

Table 8
Pre-Post Comparison of Orders - All Obligor Under Employer Reporting
Number of Orders and Average Number of Days

Order	Pre-Period		Post-Period		Change in Service Days
	Number of Services	Average Number of Days	Number of Services	Average Number of Days	
Withhold and Deliver (WID)	241	22	1,463	9	-13
Paternity Complaint	57	32	61	64	+32
Admin	79	31	66	43	+12

Did employer reporting result in an increased number in modifications?

Modifications of cases take place for a number of reasons. Common reasons include administrative orders which result from changes in the status of the obligor and court orders. Modifications have not been tracked on a regular basis and were not included in the first year evaluation report because of incomplete data. This year, a special series of reports were prepared by CSED which include the information on the review and modification of cases. Some of this information may still be incomplete for some obligors but care is now being taken to include data on modifications. This should result in a further improvement in the information for the third year evaluation. While information on modifications is included here, it should be treated with caution.

Modifications may take more than a year to process and, with the increased emphasis on the review and potential modification of all CSED cases, large differences may be expected for both the target and the comparison groups. While the overall number of modifications is small for both the target and comparison groups, the increase in the number of modifications over the past two periods has been substantial. It is notable that there are greater increases in actual modifications for the target groups than for the comparison groups.

Table 9
Modification Summary - Target Group 1

	Pre-Period	Post-Period	
	N	N	% Change
Review Requests			
- Target	98	135	38%
- Comparison	114	154	35%
Review Completed			
- Target	7	37	429%
- Comparison	5	37	640%
Modifications			
- Target	4	40	900%
- Comparison	3	25	733%

Table 10
Modification Summary - Target Group 2

	Pre-Period	Post-Period	
	N	N	% Change
Review Requests			
- Target	23	53	130%
- Comparison	25	41	69%
Review Completed			
- Target	2	11	450%
- Comparison	4	9	125%
Modifications			
- Target	0	8	
- Comparison	3	4	33%

What are the effects of employer reporting by age group?

Employer reporting should impact all obligors because of the increase in the number of potential collections. A differential effect on collections by age group should be expected because of the traditional higher job turnover and seasonal employment of younger workers. However, this may have less of an effect in Alaska where all employers react to some extent to seasonal changes.

Table 11 shows that there has been a substantial increase in the percent of average obligation paid for all of the individuals participating in employer reporting as well as increases in the amount of obligations, 9%. While the average percent of obligation paid did increase from 11% to 24% for the youngest category reported, the small number in the group minimizes the impact. It is notable that a number of older obligors, those with higher obligations and collections, have percentages paid of over 100% showing that they are now paying down their arrears.

Table 11
Pre -Post Collections by Age- All Obligor Under Employer Reporting
Average Collections per Obligor

Age	N	Pre-Period			Post-Period			% Change
		Average Due per Obligor	Average Total Collected per Obligor	% Paid	Average Due per Obligor	Average Total Collected per Obligor	% Paid	
< 21	16	\$ 939	\$ 106	11%	\$2,925	\$ 697	24%	+13%
22 - 30	252	\$2,725	\$ 995	37%	\$3,536	\$1,696	48%	+11%
31 - 40	546	\$3,415	\$2,134	62%	\$3,711	\$2,689	72%	+10%
41 - 50	307	\$3,023	\$3,010	100%	\$3,196	\$3,546	111%	+11%
> 51	39	\$2,724	\$3,327	122%	\$2,593	\$3,559	137%	+15%
Unkn	13	\$2,279	\$ 513	23%	\$2,165	\$ 841	39%	+16%
Total	1173	\$3,095	\$2,113	68%	\$3,472	\$2,681	77%	+9%

% change \geq 100 indicates arrears were collected

What are the effects of employer reporting by area of Alaska and location of the obligation?

Alaska is a large and diverse state with a small population spread over the area equal to approximately a third of the contiguous United States, the "Lower 48." The state is characterized by concentrations of population in urban supply centers and very small rural communities. Many of the large employers are concentrated in the urban centers even though they may have employees in rural areas.

Table 12 provides some insight into the distribution of obligors and the relative success of employer reporting for various regions. Data is organized by the zip codes of employers. The table also includes a grouping of information by interstate and responding cases.

In general, it appears that the greatest success in increasing the percentage of obligation paid has been in the urban centers where employment may be more stable. However, the somewhat tenuous nature of the relationship between employer address and actual work location, suggests caution in making an assumption about the relative success of the system by region. All regions show an actual increase in the average total collected per obligor.

Table 12
Pre-Post Collections by Region- All Obligor Under Employer Reporting
Average Collections per Obligor

Area	N	Pre-Period			Post-Period			% Change
		Average Due per Obligor	Average Total Collected per Obligor	% Paid	Average Due per Obligor	Average Total Collected per Obligor	% Paid	
Inter-state	864	\$3,349	\$2,048	61%	\$3,721	\$2,625	71%	+10%
Respdg	309	\$2,383	\$2,292	96%	\$2,778	\$2,840	102%	+6%
Anch	641	\$3,073	\$2,104	68%	\$3,452	\$2,732	79%	+11%
Fbks	215	\$3,136	\$1,837	59%	\$3,368	\$2,383	71%	+12%
Jun	40	\$2,883	\$2,064	72%	\$3,532	\$2,910	82%	+10%
SE	114	\$3,209	\$2,546	79%	\$3,647	\$3,048	84%	+5%
Oth Ak	100	\$3,432	\$2,261	66%	\$3,758	\$2,543	68%	+2%
Other	63	\$2,553	\$2,151	84%	\$3,175	\$2,546	80%	-4%
Total	1,173	\$3,095	\$2,113	68%	\$3,472	\$2,681	77%	+9%

What are the effects of employer reporting on the number and amount of disbursements to AFDC and to other agencies?

The direct effect of employer reporting is an increase in the number and amount of disbursements made to agencies. The increase in number of payments and associated collections make more funds available for the reduction in obligations.

The average increase in disbursements for the second year of employer reporting for all obligors is 26%. There was a 32% increase in the number of disbursements to AFDC and a 31% increase in the total amount disbursed. The total increase in the amount collected from obligors and disbursed to agencies was over \$637,000. AFDC received an additional \$192,000.

Table 13
Pre-Post Disbursements - All Obligors Under Employer Reporting

Recipient	Pre-Period		Post-Period		% Change in Amount
	Number Disbursed	Amount Disbursed	Number Disbursed	Amount Disbursed	
Obligee /Other State	6,879	\$1,819,273	9,270	\$2,235,111	+23%
AFDC	2,679	\$ 618,209	3,530	\$ 810,214	+31%
Foster Care	58	\$ 6,186	78	\$ 16,105	+160%
Other	148	\$ 49,670	278	\$ 69,742	+40%
TOTAL	9,764	\$2,493,339	13,126	\$3,131,172	+26%

What special findings are related to the expansion of the program include to seasonal employers?

The seasonal employers added in the second year of the pilot test of direct employer reporting differ from the first year employers in that they have more transient work force, fewer employees, and fewer obligors.

As shown in Table 14, the largest number of obligors from the seasonal employers are still located in urban areas. When compared with the obligors from the first year target group, the obligors employed by the more seasonal employers had a larger percentage increase in the percent of obligation paid (15% vs 9%) and a higher overall increase in the amount of increased payments to AFDC and other agencies.

The most notable feature of the addition of the seasonal employers is the increase in the number of Withhold and Deliver Orders served on seasonal employees. The number of orders served increased from 4 in the prior period to 362 in the post reporting period. This has been the greatest gain made in any area by the employer reporting program. It demonstrates that the system is effective in locating a substantial number of transient, seasonal employees who would not otherwise be found and served.

Table 15 provides an additional picture of how collections have increased the amount of disbursements to agencies.

Table 14
Pre-Post Collections by Region- Target Group 2
Average Total Collections per Obligor

Area	N	Pre-Period			Post-Period			% Change
		Average Due per Obligor	Average Total Collected per Obligor	% Paid	Average Due per Obligor	Average Total Collected per Obligor	% Paid	
Inter-state	187	\$3,012	\$1,892	63%	\$3,336	\$2,404	72%	+9%
Respdg	73	\$2,475	\$1,866	75%	\$2,577	\$2,830	110%	+35%
Anch	142	\$3,113	\$2,019	65%	\$3,228	\$2,790	86%	+21%
Fbks	54	\$2,672	\$1,294	48%	\$3,041	\$1,886	62%	+14%
Jun	8	\$1,809	\$1,686	93%	\$3,445	\$2,407	70%	-23%
SE	16	\$2,432	\$1,971	81%	\$2,267	\$1,958	86%	+5%
Oth AK	22	\$2,893	\$1,760	61%	\$3,277	\$2,579	79%	+18%
Other	18	\$2,552	\$2,757	108%	\$2,964	\$2,827	95%	-13%
Total	260	\$2,861	\$1,884	66%	\$3,122	\$2,524	81%	+15%

Table 15
Pre-Post Disbursements - Target Group 2

Recipient	Pre-Period		Post-Period		% Change in Amount
	Number Disbursed	Amount Disbursed	Number Disbursed	Amount Disbursed	
Obligee /Other State	1,319	\$367,753	1,931	\$496,895	+35%
AFDC	482	\$112,408	608	\$140,130	+25%
Foster Care	18	\$ 1,302	12	\$ 2,385	+83%
Other	23	\$ 8,580	48	\$ 11,789	+37%
TOTAL	1,842	\$490,043	2,599	\$651,149	+33%

How cost effective is the employer reporting program?

The economic gains from implementation of the monthly direct employer reporting program most clearly stem from the increase in average collections per obligor generated by the increase in the number of payments. The gain may be estimated by considering the effects of added collections on the employer reporting groups.

A weighted average of the two comparison groups shows an average number of payments of 9.5. The average for all obligors under the employer reporting system is 11.6. This is a 2.3 payment advantage for employer reporting.

The 2.3 payment advantage results in an average increase in payments of \$530 for each obligor or an estimated \$621,000 for the program. This estimate is conservative given that the average payment made for the comparison group members is more than \$20.00 above the average for the current target groups suggesting that an extension of the program might yield an increase in payments to more than \$530 per obligor.

Table 16
Program Collections/CSED Cost Summary

Collections and Costs	Numbers
(a) Estimated Collections Attributed to Program ^(e X h)	\$ 621,690
(b) Program Costs	\$ 201,219
(c) Net Estimated Collections Attributed to Program ^(a-b)	\$ 420,471
(d) Cost/Benefit Ratio	1:3.1
(e) Number of Obligor in Program	1,173
(f) Program Cost per Report Received from Employers ^(b/1227) 1	\$ 164
(g) Estimated Collections per Report Received from Employers ^(a/1227)	\$ 506
(h) Estimated Collections per Obligor Attributed to Program ²	\$ 530
(i) Program Cost per Obligor ^(b / e)	\$ 172
(j) Estimated Net Collections per Obligor (Collections Attributed to Program) ^(h-i)	\$ 358

¹Estimated # Reports @ 1227 given data from 9 months

²Ave \$ per Pmt(230.60) X Extra # Payments Attributed to Program(2.3)

The \$621,690 in additional collections was offset by the \$201,219 cost of the program. This results in a cost benefit ratio of 1:3.1 and a net increase in collections over cost of \$420,471.

CONCLUSIONS

The Alaska Child Support Enforcement Division of the Alaska Department of Revenue has successfully established a direct employer reporting program to aid in the identification of individuals who owe child support and to speed up the process of making collections. The second year of the federally funded pilot project has extended the program to include employers of both large numbers of known obligors, brought on during the first year, and those employing seasonal workers.

There were substantial increases in the number and amount of collections from project obligors. The goal of a 25% increase in collections was more than achieved with an actual increase of 27%. This reflects an increase in the total collected for all obligors in the employer reporting system from \$2,478,066 to \$3,145,239.

There was a substantial increase in the dollar amount of child support orders with an average obligation for employees of firms participating in the program increasing by 12% from \$3,094 to \$3,472. This did not quite meet the program goal of a 15% increase.

There was a more than 500% increase in the number of Withhold and Deliver Orders in the second year of the program with the most notable increase in successful locates being found in the newly added seasonal group where the number who were successfully located increased from 4 to 362.

There was a ten fold increase in the number of modifications from 6 to 61 which went far beyond the 12% called for in the proposal.

The cost effectiveness ratio surpassed the target of 1:3 with approximately \$3.09 collected for each dollar spent on the program. The total collection which might be attributed to the program based on an increase of 2.3 payments per obligor is \$621,690.

The employer reporting system has proved successful in meeting the program goals of implementing a direct employer reporting system which speeds up the location of obligors and increases the number of payments made for child support.

The Child Enforcement Support Division made a substantial effort to increase collections and the number of reviews and modifications for all obligors. This overall activity of CSED resulted in the employer reporting groups and the comparison groups to achieve statistically significant gains. While the employer reporting groups consistently have the highest obligations and percentage of collections, the comparison groups made notable gains and, perhaps because of the nature of the jobs and employers, have higher average payments. This suggests that the expansion of the employer reporting system to include additional employers will result in even greater gains in collections in year three of the program.

APPENDIX A
TESTS OF SIGNIFICANCE

DIFFERENCE IN PRE-POST GROUPS
DIFFERENCE IN PRE-POST DIFFERENCES

NEW CSE.DWK SHT-PEVSD

DIFFERENCE IN PRE-POST GROUPS	MEANS		STANDARD DEVIATIONS		SIZES		MEANS DIFFERENCE	t-Value	LEVEL OF SIG
	GROUP 1	GROUP 2	GROUP 1	GROUP 2	GROUP 1	GROUP 2			
SEASONAL COS									
POST 1 2 VS C 2 AVG ABIL PER PD II	\$251.71	\$274.07	317.77	520.86	260	269	\$22	0.60	NSD
POST 1 2 VS C 2 AVG TOTAL PD	\$2,523.88	\$2,347.50	2824.98	3213.62	260	269	(\$176)	-0.67	NSD
PRE VS POST 1 2 AVG OBLIGATION	\$2,861.25	\$3,122.48	3005.16	2902.29	260	260	(\$261)	-1.01	NSD
PRE VS POST 1 2 AVG TOTAL PD	\$1,884.39	\$2,523.88	2705.01	2824.98	260	260	(\$639)	-2.64	0.001
PRE VS POST C 2 AVG OBLIGATION	\$2,964.92	\$3,530.97	3174.18	3181.02	269	269	(\$566)	-2.07	0.05
PRE VS POST C 2 AVG TOTAL PD	\$1,730.77	\$2,347.50	2713.44	3213.62	269	269	(\$617)	-2.40	0.01
PRE 1 2 VS C 2 AVG TOTAL PD	\$1,884.39	\$1,730.77	2705.01	2713.44	260	269	\$154	0.55	0.1 NSD
COS WITH LARGE # MATCHES									
YEAR 2 1 1 VS C 1 AVG ABIL PER PD II	\$224.96	\$253.62	278.72	311.95	839	859	(\$29)	-2.00	0.05
YEAR 2 1 1 VS C 2 AVG TOTAL PD	\$2,807.89	\$2,492.13	2830.56	3054.34	839	859	\$316	2.21	0.05
YEAR 1 VS YEAR 2 1 1 AVG OBLIGATION	\$3,346.37	\$3,662.41	3134.03	3260.08	839	839	(\$316)	-2.00	0.05
YEAR 1 VS YEAR 2 1 1 AVG TOTAL PD	\$2,301.35	\$2,807.89	2897.83	2830.56	839	839	(\$507)	-3.62	0.001
YEAR 1 VS YEAR 2 C 1 AVG OBLIGATION	\$3,044.95	\$3,629.29	3236.88	3560.96	859	859	(\$584)	-3.56	0.001
YEAR 1 VS YEAR 2 C 1 AVG TOTAL PD	\$1,763.28	\$2,492.13	2641.34	3054.34	859	859	(\$729)	-5.29	0.001
YEAR 1 1 1 VS C 1 AVG TOTAL PD	\$2,301.35	\$1,763.28	2897.83	2641.34	839	859	\$538	4.00	0.001
COMPARISON OF GROUPS									
PRE 1 2 VS 1 1 AVG TOTAL PD	\$1,684.39	\$2,301.35	2705.01	2897.83	267	835	(\$617)	-2.15	0.001
POST 1 2 VS 1 1 AVG TOTAL PD	\$2,523.88	\$2,807.89	2824.98	2830.56	267	858	(\$284)	-1.43	NSD

cshed diff tests

DIFFERENCE IN PRE-POST DIFFERENCES	MEANS				STANDARD DEVIATIONS	
	PRE-Target	POST- Target	PRE- C-1	POST- C-1	PRE-Target	POST- Target
Diff AVE obligation Target Group 1 vs C-1	2861.25	3122.48	2964.92	3530.97	3005.16	2902.29
Diff AVE paid Target Group 1 vs C-1	1884.39	2523.88	1730.77	2347.5	2705.01	2824.98
Diff Ave obligation Target Group 2 vs C-2	3346.37	3662.41	3044.95	3629.29	3134.03	3260.08
Diff Ave paid Target Group 2 vs C-2	2301.35	2807.89	1763.28	2492.13	2897.83	2830.56
Source for t-statistic:						
TEXT: STATISTICS FOR THE SOCIAL SCIENCES WILLIAM L. HAYS SECOND EDITION HOLT, RINEHART, AND WINSTON 1973						
Source for df - Smith Satterwaite t-test:						
TEXT: PROBABILITY AND STATISTICS FOR ENGINEERING AND SCIENCE JAY DEVORE SECOND EDITION PACIFIC GROVE CA: BROOKS GROVE PUB 1991						

csed diff tests

PRE- C-1	POST- C-1	<u>SIZES</u> Target	Comparison	DIF GROUP 1	DIF GROUP 2	DIF STD DEV 1	DIF STD DEV 2	DIF OF DIFFS
3174.18	3181.02	260	269	-261.23	-566.05	259.098095	273.992286	304.82
2713.44	3213.62	260	269	-639.49	-616.73	242.563165	256.441984	-22.76
3236.88	3560.96	839	859	-316.04	-584.34	156.123578	164.192128	268.3
2641.34	3054.34	839	859	-506.54	-728.85	139.851311	137.775736	222.31

csed diff tests

T	SIGNIF T	DF
13.1505683	0.001	132.47
-1.0489861	NS	132.61
34.5121667	0.001	451.11
32.9902468	0.001	460.36

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

Jud DATE: 4/13/93

FURTHER: FINANCE

Date of 5-Day Notice: 2/15/94
(in accordance with Uniform/Rule 23)

DATE TURNED INTO OFFICE: 2/25/94

JUDICIARY Committee considered SB 190

~~"Act~~ relating to income withholding and other methods of enforcement for orders of support and providing for an effective date

and recommends: and a majority of the committee recommends it be replaced with

replace with _____ CS SB 190 (JUD)

- same title
- new title
- technical title change (HB only)

attaches amendment(s)

adopts _____ Letter of Intent

further referral to the _____

- do pass
- do not pass
- no recommendation
- individual recommendations

NO

FISCAL NOTE INFORMATION

*SB
Y
CS*

Department	Date	Zero	Fiscal
Revenue	2/1/94	 	✓

Department	Date	Zero	Fiscal

- Appropriation No Fiscal Note
- Governor's Bill with Previous Fiscal Notes (enter information above)

DO PASS:
 (1) W. Bruce Dudley
 (1) Elizabeth R. Hill

OTHER RECOMMENDATIONS:

(1) Adriest Taylor
Chair: Signature and Recommendation

SB

191

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 5/6/94

FURTHER:

DATE TURNED INTO OFFICE: _____

The Finance Committee considered SENATE BILL NO. 191

"An Act relating to municipal property tax limitations; and providing for an effective date."

Died in SFC 1994.

and recommends:

- replace with _____ CS _____ (FINANCE)
or adopt previous _____ CS _____ ()
 attaches amendment(s)

same title
 new title
 technical title change (HB only)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

NEW FISCAL NOTES

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

DO PASS.

OTHER RECOMMENDATIONS:

1. _____

Co-Chair: Signature/Recommendation

2. _____

Co-Chair: Signature/Recommendation

SENATE COMMITTEE REPORT

DATE: 4/24/93

FURTHER: FINANCE

DATE TURNED INTO OFFICE: _____

JUDICIARY Committee considered SENATE BILL NO. 191

"An Act relating to municipal property tax limitations; and providing for an effective date."

and recommends:

- replace with _____ CS _____ ()
- or adopt previous _____ CS _____ ()
- attaches amendment(s)

- same title
- new title
- technical title change (HB only)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

NEW FISCAL NOTES

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

DO PASS:

OTHER RECOMMENDATIONS:

Chair: Signature and Recommendation

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

File

DATE: 4/13/93

FURTHER: JUDICIARY
FINANCE

Date of 5-Day Notice: 4/20/93
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 4-24-93

CRA Committee considered SB 191

"An Act relating to (municipal property tax limitations; and providing for an effective date."

frpts at bar as file

and recommends:

replace with _____ CS _____ ()

- same title
- new title
- technical title change (HB only)

attaches amendment(s)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

CPA

FISCAL NOTE INFORMATION

Department	Date	Zero	Fiscal
DCRA	2/22/93	φ	

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

Governor's Bill with Previous Fiscal Notes (enter information above)

DO PASS:

OTHER RECOMMENDATIONS:

2 PA. Whitt No Rec
2 John J. Roman NK
2 Al. Blair - no rec

Roll & Hill - D. Pass

Chair: Signature and Recommendation

HISTORY IN THE SENATE

1973
4/13 Read first time and referred to:
CRA, JUD, FIN

4/30 ~~CRA~~ RPT() CS 3 DP/ NR DNP AM
New Title Same Title Previous FN
FN OFN To Jud

5/6 ~~JUD~~ RPT() CS DP NR DNP AM
New Title Same Title Previous FN
FN OFN wanted to fin

RPT() CS DP NR DNP AM
New Title Same Title Previous FN
FN OFN To

Rules Calendar() CS AM Other
New Title Same Title Previous FN
FN OFN

Read second time
CS Adopted () New Title
Amended Advanced

Read third time
Letter of Intent adopted
Return to second for specific amendment

PASSED	EFD Same ___ or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Reconsideration
Reconsideration not taken up

PASSED	EFD Same ___ or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Reported correctly engrossed
Signed by President, to House

Secretary of the Senate

HISTORY IN THE HOUSE

19
Read first time and referred to:

RPT CS() New Title
DP DNP NR AM
FN OFN Previous FN

RPT CS() New Title
DP DNP NR AM
FN OFN Previous FN

RPT CS() New Title
DP DNP NR AM
FN OFN Previous FN

Read second time
CS() Adopted

Amended

Advanced

Read third time

Return to second for specific amendment

PASSED	EFD Same ___ or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Intent adopted

Reconsideration
Reconsideration not taken up

PASSED ON RECON.	EFD Same ___ or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Intent adopted

Reported correctly engrossed, signed by the Speaker
and returned to the Senate

Chief Clerk of the House

SENATE-HOUSE HISTORY Continued

19	<p>Received from the House Version: _____</p> <p>Concur in House amendment Y ___ N ___ E ___ A ___ ____ Efd same or Y ___ N ___ E ___ A ___</p> <p>Failed to concur in House amendment, ask House recede Y ___ N ___ E ___ A ___</p> <p>House failed to / receded from amendment Y ___ N ___ E ___ A ___</p> <p>CC appointed by Senate _____ Chair _____</p> <p>CC appointed by House _____ Chair _____</p> <p>(S) Granted Limited Powers of Free Conference</p> <p>(H) Granted Limited Powers of Free Conference</p>
----	---

19	<p>(S) Adopted CC Rpt _____ Y ___ N ___ E ___ A ___ ____ Efd same or Y ___ N ___ E ___ A ___</p> <p>(H) Adopted CC Rpt _____ Y ___ N ___ E ___ A ___ ____ Efd same or Y ___ N ___ E ___ A ___</p> <p>To enrolling Received from enrolling Sent to Governor</p> <p>_____ By Governor</p> <p>Chapter Number _____</p> <p>Filed with Lieutenant Governor</p>
----	---

Bill Version: SB 191
(S) Publish Date: 4-24-93

STATE OF ALASKA
1993 LEGISLATIVE SESSION

FISCAL NOTE

Revision Date: _____ Dept. Affected: Community & Regional Affairs
Title: 'An Act relating to municipal property tax limitations...' BRU: _____
Sponsor: Kerttula Component: _____
Requestor: _____ COMPONENT SERIAL NO. _____

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE FUND SOURCE:						
----------------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

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

Estimate of current (FY93) Impact \$ none

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Remond Henderson Phone: 465-4708
Division: Administrative Services Date: 4/22/93
Approved by Commissioner: [Signature] Date: 4/22/93
Agency: Community & Regional Affairs

SB

1988

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred: April 24, 1993

FURTHER REFERRALS:

Date of Committee Action: 5/5/93

The FINANCE Committee considered:

SB 198

SENATE BILL NO. 198

EXEMPT D.O.T. FROM APA PROCEDURES

"An Act exempting certain activities of the Department of Transportation and Public Facilities from the regulation provisions of the Administrative Procedure Act and allowing other procedures for those activities; and providing for an effective date."

RECOMMENDATIONS: the same title
 be replaced with SB 198 a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): _____ (Dept)

APPROVES PREVIOUS: _____ (Dept/Date)

fiscal impact _____

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) DOTPF 4/18/93

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Richard J. Larson</i> Larson	X	<i>Eileen P. McLean</i> McLean		✓	
<i>Terrence Martin</i> Martin	X	<i>Mark Hankley</i> Hankley		X	
<i>Richard J. Foster</i> FOSTER	X	<i>Van Parrish</i> Parrish		X	
		<i>Raymond Gussendorf</i> Gussendorf		X	
		<i>John Hoffmann</i> Hoffmann		✓	
		<i>Mike Navarre</i> Navarre		✓	
		<i>Tony Brown</i> Brown		✓	
		<i>Eric Therman</i> Therman		X	

Eileen P. McLean
 CHAIRMAN'S SIGNATURE

McLean

Larson

SENATE BILL NO. 198

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE TRANSPORTATION COMMITTEE

Introduced: 4/15/93
Referred: TRANSPORTATION



A BILL

FOR AN ACT ENTITLED

1 "An Act exempting certain activities of the Department of Transportation and
2 Public Facilities from the regulation provisions of the Administrative Procedure
3 Act and allowing other procedures for those activities; and providing for an
4 effective date."

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

6 * Section 1. AS 02.15.090(a) is amended to read:

7 (a) In operating an airport or air navigation facility owned or controlled by the
8 state, the department may enter into contracts, leases, and other arrangements covering
9 periods not exceeding 55 years with a person, municipality, or the United States,
10 granting the privilege of using or improving an airport or air navigation facility or a
11 portion of it or space in it for commercial, governmental, or other public purposes,
12 including private plane tie down; or conferring the privilege of supplying goods,
13 commodities, services, or facilities at an airport or air navigation facility. The
14 department may establish the terms and conditions and fix the charges, rentals, and

1 fees for the privileges or services that are reasonable and uniform for the same class
2 of privilege or service. Charges, rentals, or fees authorized by this subsection may
3 be fixed for the international airports by order of the commissioner or by
4 negotiated or competitively offered contract. Notwithstanding AS 37.10.050(a),
5 the fixing of charges, rentals, or fees as permitted under this subsection is not
6 subject to the adoption of regulation provisions of AS 44.62 (Administrative
7 Procedure Act). The terms, conditions, charges, rentals, and fees shall be established
8 with due regard to the property and improvements used and the expense of operation
9 to the state. However, use of state land and buildings by the Alaska Wing, Civil Air
10 Patrol and its squadrons shall be permitted without rental charges. The department
11 shall provide for public notice and an opportunity to comment before a charge,
12 rental, or fee is fixed by order of the commissioner as permitted under this
13 subsection. The [IN NO CASE MAY THE] public may not be deprived of its
14 rightful, equal, and uniform use of the airport, air navigation facility, or a portion of
15 them.

16 * Sec. 2. AS 37.15.500 is amended to read:

17 Sec. 37.15.500. AIRPORT CHARGES. As provided in AS 02.15.090(a), the
18 [THE] commissioner of transportation and public facilities shall fix and collect the
19 [SUCH] fees, charges, and rentals derived by the state from the ownership, lease, use,
20 and operation of the airports and all of the facilities and improvements that [OF
21 THEM OR USED IN CONNECTION WITH THEM AS] will provide revenue
22 sufficient to comply with all of the covenants of the bond resolution.

23 * Sec. 3. Sections 1 and 2 of this Act are retroactive to January 1, 1993.

24 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

FISCAL NOTE

Revision Date: 04/16/93
Title: Exempt DOT from APA Procedures

Department Affected: DOT&PF
BRU: ALAS, AIA, FIA

Sponsor: Transportation
Requestor:

Component: ALAS, AIA, FIA
Component Serial Number: 1649, 613, 619

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING:	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE FUND SOURCE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

1002 FEDERAL RECEIPTS	0	0	0	0	0	0
1003 GF MATCH	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/PROGRAM RECEIPTS	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL FUNDING:	0	0	0	0	0	0

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 current year (FY93) impact: \$0

ANALYSIS: (Attach a separate page if necessary)

*Indicates there will be a fiscal impact if SB 198 is not enacted. See attached Position Paper.

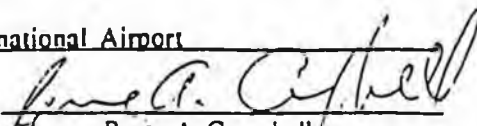
Prepared by: Gina Marie Lindsev, Director

Phone: 266-2525

Division: Anchorage International Airport

Date: April 16, 1993

Approved by Commissioner:


Bruce A. Campbell

Phone: 465-3901

Agency: Department of Transportation and Public Facilities

Date: April 16, 1993

**DIVISION OF LEGAL SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

April 16, 1993

SUBJECT: Sectional Summary of SB 198.

TO: Senator Bert Sharp

FROM: Michael F. Ford *MFF*
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Allows the commissioner of Transportation and Public Facilities to fix charges, fees, and rentals at international airports by order or by contract. Exempts the charges, fees, or rentals from the regulation provisions of the Administrative Procedure Act (AS 44.62). Requires the department to provide for public notice and comment before the commissioner fixes a fee, charge, or rental by order.

Section 2. Allows the commissioner to fix fees as provided in sec. 1, for purposes of international airport revenue bonds.

Section 3. Retroactive effective date for sections 1 and 2.

Section 4. Effective date.

MFF:pl
93-307.plm



*Department of Transportation
and Public Facilities*

POSITION PAPER

BILL NO: SB 198

APPROVED:

A handwritten signature in black ink, appearing to be "H. Hill", written over a horizontal line.

TITLE: Exempt DOT from APA
Procedures

DATE: April 16, 1993

SB 198 will allow the international airports to continue to operate in a business-like manner and respond quickly to market conditions and airport revenue requirements.

Based on the court decision in the rural airport landing fee lawsuit, Anchorage (AIA) and Fairbanks (FIA) International Airports may be required to establish all fees and fee changes through the regulatory process defined in the Administrative Procedures Act.

AIA and FIA establish landing fees, terminal rent, and other airline fees through uniform Airline Operating Agreement formulas negotiated with the airlines serving the two airports. This type of negotiation is fundamental to airlines conducting business with airports and is representative of industry standard throughout the United States. These fees are numerous, varied, and subject to change because of requirements in the operating agreements and provisions of other specific leases and concession agreements. Airline landing fees are recalculated twice a year through a formula specified in the Airline Operating Agreement. Other types of new fees are sometimes implemented in response to unanticipated user needs and changes in market conditions. A required regulatory process would impose an estimated four to five month time delay on implementation of new fees as compared to the current six to eight weeks.

In addition to airline specific fees, AIA and FIA have a wide range of other fee types. These include tie down fees, vehicle parking fees, land rent, impound fees, conference room charges, and concession fees. The concession bid/proposal solicitation process may be compromised if minimum bids for

each concession must first be established through regulation. This seriously jeopardizes the ability of AIA and FIA to maximize concession revenue.

If SB 198 is not enacted, there will be substantial direct and indirect operating budget impacts to the international airports. Direct costs include an additional \$36,700 in annual personal services expenses for staff regulation work and an estimated \$50,000 in additional annual Department of Law costs to DOT&PF. Indirect costs include revenue loss due to time delays inherent in the regulatory process. In the absence of the statutory change, AIA and FIA may be unable to implement new fees or revise existing fees (including landing fees) until a regulatory process in which the airports have little timing control is complete. In this situation, the revenue impact is substantial but is not possible to quantify because timing is dependent on Department of Law priorities.

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101


130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

April 21, 1993

SUBJECT: International airports - (SB 198)

TO: Senator Bert Sharp

FROM: Michael F. Ford 
Legislative Counsel

You have asked for an explanation of the term "international airport" as used in SB 198. The term is defined in AS 02.15.260 as follows:

"international airport" means an international airport owned and operated by the state;"

The term "airport" is also defined in that same section. You should also note that in sec. 2 of the bill the term "airports" is used. That term is defined in AS 37.15.550 as essentially the Anchorage and Fairbanks International Airports.

If you have further questions please contact me.

MFF:mi
93-075.mai

**THE FOLLOWING PAGES MAY
NOT FILM LEGIBLY BECAUSE OF
THE POOR QUALITY OF THE ORIGINAL**



Alaska
International
Airport
System
P.O. Box 190649
Anchorage, Alaska
USA 99519-0649
(907) 266-2525
FAX (907) 243-0663

April 19, 1993

The Honorable Bert Sharp
Chairman, Senate Transportation Committee
State Capitol, Room 514
Juneau, Alaska 99801-1182

Dear Senator Sharp:

This letter is to clarify the Department of Transportation and Public Facilities' (DOT&PF) interest in SB 198. The statute change is needed so the Anchorage and Fairbanks International Airports can continue to adjust rates and fees in accordance with the Airline Operating Agreement. This has been the method used for a number of years.

DOT&PF is concerned that the recent court decision requiring rural airport landing fees to be set by regulation might be interpreted to apply to the international airports. Adjusting rates and fees through regulation would limit DOT&PF's ability to generate revenue for ongoing operation of the two international airports.

In addition to rates and fees specified in the Airline Operating Agreement, the international airports have a wide variety of other fees which generate revenue for the Fairbanks and Anchorage airports. These fees are for uses such as general aviation tie downs, concessions, vehicle parking, and land rent.

SB 198 applies only to the Anchorage and Fairbanks International Airports and will not affect the way DOT&PF sets fees for the rural airports. The rural airports are general funded; the Anchorage and Fairbanks International Airports are wholly supported by revenue they generate (AS 37.15).

If we can provide additional information, please contact either of us.

Sincerely,

Robert Bullock, FIA Manager

Marie Lindsey, AIA Director

cc: Katy McHugh, DOT&PF Legislative Liaison
D. Randy Simmons, Deputy Commissioner
John Ungar, AIAS Controller

SB

2000

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 4/15/93

FURTHER:

Date of 5-Day Notice: _____ DATE TURNED INTO OFFICE: 4-17-93
 (in accordance with Uniform Rule 23)

The Finance Committee considered SB 200

CHARITABLE GAMING; EFD

and recommends:

- replace with _____ CS SB 200 (FINANCE)
- or adopt previous _____ CS _____
- attaches amendment(s)

- same title
- new title
- technical title change (HB only)

- adopts _____ Letter of Intent
- further referral to the _____

- do pass
- do not pass
- no recommendation
- individual recommendations

NEW FISCAL NOTES

Department	Date	Zero	Fiscal
DCPED	4/16/93	<u>0</u>	

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

DO PASS:

George J. Adams

Steve Rein

OTHER RECOMMENDATIONS:

Tim Kelly - Do Not Pass

J. Kofsky - Do Not Pass

Scott Murray N. Rec.

1. _____
Donna Adams
 Co-Chair: Signature/Recommendation

2. _____
True Love - [Signature]
 Co-Chair: Signature/Recommendation

STATE OF ALASKA
1993 LEGISLATIVE SESSION

FISCAL NOTE OF
REPORTED DATE OF
SFC 4-17-93

BILL NO. SB-200

Revision Date: _____

Title: An Act relating to gaming

Sponsor: Senator Jacko

Requestor: Senate Finance

Department Affected: Commerce and Economic Development

BRU: _____

Component: _____

COMPONENT SERIAL NO. _____

EXPENDITURES/REVENUES:

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING:

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/Program Receipts	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

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 current year (FY 93) impact: 0

ANALYSIS: (Attach a separate page if necessary.)

This bill would provide Alaska Public Information Network (APIN) the ability to sell a pull-tab series in more than one location, at vendor locations, using MBP permits in conjunction with an opportunity to participate in a raffle.

Prepared by: John Hansen, Gaming Program Manager

Division: Occupational Licensing

Phone: 465-2581

Date: 4/16/93

Approved by Commissioner: Paul Fuhs

Agency: Commerce and Economic Development

Date: 4-16-93

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~~Page 7, line 22:~~
~~Date~~

Page 7, line 24 following "vendor.":

Insert "Not less than 50 percent of the net proceeds from an activity conducted under this subsection must be placed ~~in an endowment fund~~ by the ~~or~~ noncommercial broadcasting stations or networks of those stations in an endowment fund for the purposes ~~and~~ uses, and under the procedures provided in AS 05.15.150.

the earnings of which may be used

Plus title amendment to conform to this change.

SENATE FINANCE COMMITTEE

Amendment Number: ④

Bill Number: SB 250

Sponsor: _____ Date: 9/17/93

Logged In By: BR

4-17-93
advised

~~Page 7, line 22:~~
~~Date:~~

Page 7, line 24 following "vendor.":

Insert "Not less than 50 percent of the net proceeds from an activity conducted under this subsection must be placed ~~in an endowment fund~~ by the ~~or~~ noncommercial broadcasting stations or networks of those stations in an endowment fund for the purposes ~~and~~ uses, and under the procedures provided in ASOS.15.150.

Plus title amendment to conform to this change.

SENATE FINANCE
COMMITTEE
Amendment Number: 3
Bill Number: SB 500
Sponsor: _____ Date: 4/17/93
Logged In By: BN

4-17-93
adoption

8-LS1035E ✓
Luckhaupt
4/16/93

*adopted &
amended*

CS FOR SENATE BILL NO. 200()
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - FIRST SESSION

BY

Offered:

Referred:

Sponsor(s): **SENATOR JACKO**

A BILL

FOR AN ACT ENTITLED

1 "An Act allowing the holders of a multiple-beneficiary charitable gaming permit
2 that consists entirely of noncommercial broadcasting stations or networks of such
3 stations to sell a pull-tab series at more than one location during the same day
4 if the sales are made at the customary business location of one or more of the
5 holders, at another location by an employee of one of the stations or networks,
6 or by a registered vendor; allowing permittees that are noncommercial
7 broadcasting stations or networks of such stations to contract with vendors to sell
8 pull-tabs on behalf of the permittee at retail establishments, eating establishments,
9 and establishments with liquor licenses; allowing municipalities to prohibit vendors
10 from conducting gaming activities within the municipality; relating to reports by
11 the commissioner regulating charitable gaming to the legislature; requiring
12 registration of vendors; relating to multiple-beneficiary charitable gaming permits

1 and door prizes for charitable gaming; preventing persons with certain convictions
 2 from being involved in charitable gaming activities as a vendor; prohibiting a
 3 prize or award of more than \$250,000 in a ^{lottery} ~~pull-tab game~~ ^{is entered by} that provides a right
 4 ~~to participate~~ ⁱⁿ in a ^{pull tab game} lottery; requiring a vendor contracting with a permittee to
 5 pay the permittee at least 50 percent of the ideal net for each pull-tab series
 6 delivered to the vendor by the permittee; and providing for an effective date."

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 * Section 1. AS 05.15.060 is amended to read:

9 Sec. 05.15.060. REGULATIONS. The department shall adopt regulations
 10 under the Administrative Procedure Act (AS 44.62) necessary to carry out this chapter
 11 covering, but not limited to,

12 (1) the issuance, renewal, and revocation of permits, [AND] licenses,
 13 and vendor registrations;

14 (2) a method of ascertaining net proceeds, the determination of items
 15 of expense that may be incurred or paid, and the limitation of the amount of the items
 16 of expense to prevent the proceeds from the activity permitted from being diverted to
 17 noncharitable, noneducational, nonreligious, or profit-making organizations, individuals,
 18 or groups;

19 (3) the immediate revocation of permits, [AND] licenses, and vendor
 20 registrations authorized under this chapter if this chapter or regulations adopted under
 21 it are violated;

22 (4) the requiring of detailed, sworn, financial reports of operations from
 23 permittees and licensees including detailed statements of receipts and payments;

24 (5) the investigation of permittees, licensees, registered vendors, and
 25 their employees, including the fingerprinting of those permittees, licensees, registered
 26 vendors, and employees whom the commissioner considers it advisable to fingerprint;

27 (6) exclusion from participation as a permittee, licensee, vendor, or
 28 employee of a permittee, [OR] licensee, or vendor of a person convicted of, in prison
 29 for, or on parole for a felony within the preceding five years, or convicted of a crime

1 involving theft or dishonesty or of a violation of a municipal, state, or federal
2 gambling law;

3 (7) the method and manner of conducting authorized activities and
4 awarding of prizes or awards, and the equipment that may be used;

5 (8) the number of activities that may be held, operated, or conducted
6 under a permit during a specified period; however, the department may not allow more
7 than 14 bingo sessions a month and 35 bingo games a session to be conducted under
8 a permit; **the holders of a multiple-beneficiary permit under AS 05.15.100(d) may**
9 **hold, operate, or conduct the number of sessions and games a month equal to the**
10 **number allowed an individual permittee per month multiplied by the number of**
11 **holders of the multiple-beneficiary permit;**

12 (9) a method of accounting for receipts and disbursements by operators,
13 including the keeping of records and requirements for the deposit of all receipts in a
14 bank;

15 (10) the disposition of funds in possession of a permittee, [OR] a
16 person, municipality, or qualified organization that possesses an operator's license, or
17 a registered vendor at the time a permit, [OR] a license, or a vendor registration
18 is surrendered, revoked, or invalidated;

19 (11) restrictions on the participation by employees of the Department
20 of Fish and Game in salmon classics; and in king salmon classics, and by employees
21 of Douglas Island Pink and Chum in king salmon classics;

22 (12) other matters the commissioner considers necessary to carry out
23 this chapter or protect the best interest of the public.

24 * Sec. 2. AS 05.15.070 is amended to read:

25 Sec. 05.15.070. EXAMINATION OF BOOKS AND RECORDS. The commis-
26 sioner may examine or have examined the books and records of a permittee, an
27 operator, a registered vendor, or a person licensed to manufacture or to distribute
28 pull-tab games in the state. The commissioner may issue subpoenas for the attendance
29 of witnesses and the production of books, records, and other documents.

30 * Sec. 3. AS 05.15.090 is amended to read:

31 Sec. 05.15.090. REPORTS TO THE LEGISLATURE. Before April 15 of each

1 year the commissioner shall submit a detailed report containing a (1) summary of all
2 reports required of permittees, vendors, and operators, and (2) review of all activities
3 conducted under AS 05.15.187(h). The attorney general and the commissioner of
4 public safety shall, within 10 days after the convening of the legislature each year,
5 submit a jointly prepared, detailed report outlining the effect, if any, of the operation
6 of this chapter on the legal and law enforcement activities of the state.

7 * Sec. 4. AS 05.15.090 is repealed and reenacted to read:

8 Sec. 05.15.090. REPORTS TO THE LEGISLATURE. Before April 15 of each
9 year the commissioner shall submit a detailed report containing a summary of all
10 reports required of permittees, vendors, and operators. The attorney general and the
11 commissioner of public safety shall, within 10 days after the convening of the
12 legislature each year, submit a jointly prepared, detailed report outlining the effect, if
13 any, of the operation of this chapter on the legal and law enforcement activities of the
14 state.

15 * Sec. 5. AS 05.15.100 is amended by adding a new subsection to read:

16 (d) The commissioner may issue a multiple-beneficiary permit to two to six
17 municipalities or qualified organizations or to a combination of two to six
18 municipalities and qualified organizations that apply jointly for the permit. The permit
19 gives the permit holders the privilege of jointly conducting the activities specified in
20 (a) and (b) of this section, subject to the restrictions set out in (b) of this section.

21 * Sec. 6. AS 05.15.112(a) is amended to read:

22 (a) Each municipality or qualified organization that receives a permit under
23 this chapter shall designate a member in charge. Municipalities and qualified
24 organizations that hold a multiple-beneficiary permit shall jointly designate one
25 member in charge.

26 * Sec. 7. AS 05.15.112(b) is amended to read:

27 (b) The member in charge is responsible for preparation, maintenance, and
28 transmittal of all records and reports required of the permittee. The member in charge
29 shall be a member of the qualified organization or the board of directors of the
30 qualified organization or an employee of the municipality. In the case of a multiple-
31 beneficiary permit, the member in charge shall be a member of one of the

1 qualified organizations or the board of directors of one of the qualified
2 organizations or an employee of one of the municipalities.

3 * Sec. 8. AS 05.15.112(d) is amended to read:

4 (d) The municipality or qualified organization, or the holders of a multiple-
5 beneficiary permit, shall designate alternate members in charge who are responsible
6 for the duties of the member in charge in the absence of the member in charge.

7 * Sec. 9. AS 05.15.124 is amended to read:

8 Sec. 05.15.124. MUNICIPAL REGULATION OF OPERATORS. A
9 municipality may by ordinance prohibit an operator or a vendor from conducting
10 activities under this chapter within the municipality.

11 * Sec. 10. AS 05.15 is amended by adding a new section to read:

12 Sec. 05.15.145. MULTIPLE-BENEFICIARY PERMITS. (a) Two to six
13 municipalities or qualified organizations, or a combination of two to six municipalities
14 and qualified organizations, may jointly apply for a multiple-beneficiary permit under
15 AS 05.15.100(d). The commissioner may not issue or renew a permit except upon
16 satisfactory proof that each joint applicant is a municipality or qualified organization,
17 the activity may be permitted under this chapter, and the issuance of a permit is not
18 detrimental to the best interests of the public. Upon request of the commissioner, the
19 joint applicants shall prove conclusively each of these requirements before a permit
20 may be issued or renewed.

21 (b) The provisions of AS 05.15.140(b) - (d) apply to multiple-beneficiary
22 permits and applications for them.

23 (c) A municipality or qualified organization that is among the holders of a
24 multiple-beneficiary permit may withdraw from the permit by giving written notice of
25 intent to withdraw to the department and to the other holders of the permit. The
26 effective date of the withdrawal is 30 days after the department receives written notice
27 of intent. A municipality or qualified organization that withdraws from a multiple-
28 beneficiary permit may apply for a permit under AS 05.15.100(a), but its share of the
29 prizes awarded under the multiple-beneficiary permit and the prizes it awards under
30 its own permit are subject to the maximums established in AS 05.15.180(g).

31 (d) The holders of a multiple-beneficiary permit shall jointly file reports with

1 the department that comply with the reporting requirements imposed on operators
2 under AS 05.15.083.

3 * Sec. 11. AS 05.15.180(d) is amended to read:

4 (d) The total value of door prizes offered or awarded under authority of a
5 permit issued to a municipality or qualified organization under this chapter or under
6 authoritv of a multiple-beneficiary permit may not exceed \$20,000 a month or
7 \$240,000 a year.

8 * Sec. 12. AS 05.15.180(e) is amended to read:

9 (e) The total value of all door prizes offered or awarded at a single facility or
10 bingo hall or parlor by an operator on behalf of authorizing permittees [OR BY A
11 PERMITTEE IN CONJUNCTION WITH OTHER PERMITTEES] may not exceed
12 \$20,000 a month or \$240,000 a year.

13 * Sec. 13. AS 05.15.180(g) is amended to read:

14 (g) A municipality or a qualified organization may award a maximum of
15 \$1,000,000 in prizes each year in activities authorized under this chapter; however, if
16 a municipality or a qualified organization contracts with an operator to conduct on its
17 beha^l activities authorized under this chapter, the municipality or qualified
18 organization may award a maximum of \$500,000 in prizes each year. The holders of
19 a multiple-beneficiary permit under AS 05.15.100(d) may award a maximum in
20 prizes each year of \$1,000,000 times the number of holders of the permit for
21 activities authorized under this chapter. In this subsection "activities authorized
22 under this chapter" means all activities subject to this chapter other than bingo.

23 * Sec. 14. AS 05.15.183 is amended by adding a new subsection to read:

24 (e) A distributor may not

25 (1) take an order for the purchase of a pull-tab series from a vendor;

26 (2) sell a pull-tab series to a vendor; or

27 (3) deliver a pull-tab series to a vendor.

28 * Sec. 15. AS 05.15.187(f) is amended to read:

29 (f) Each permittee [MUNICIPALITY OR QUALIFIED ORGANIZATION]
30 that had gross receipts exceeding \$100,000 during the preceding year from activities
31 conducted under this chapter or that is required to report under AS 05.15.080(a), that

1 conducts a pull-tab game shall maintain records for two years of each prize of \$50 or
2 more, the first day and last day that each series was distributed, the serial number of
3 each series, and the distributor from whom each series was purchased. In this section
4 "permittee" includes municipalities and qualified organizations that jointly hold
5 a multiple-beneficiary permit.

6 * Sec. 16. AS 05.15.187(g) is amended to read:

7 (g) Notwithstanding other provisions of this chapter, a pull-tab game that
8 confers an additional right upon all or some of the purchasers of a pull-tab series to
9 participate in a lottery for additional prizes may not be conducted in the state unless

10 (1) a surety bond in the amount of \$250,000 conditioned upon payment
11 of all prizes and awards when due is submitted to the department by the operator or
12 authorizing permittee and approved by the attorney general; and

13 (2) each prize or award under the ~~pull-tab series or the lottery~~ does
14 not exceed \$250,000.

15 * Sec. 17. AS 05.15.187 is amended by adding a new subsection to read:

16 (h) Notwithstanding (b) of this section, the department shall allow the
17 permittees of a multiple-beneficiary charitable gaming permit that is held solely by
18 noncommercial broadcasting stations or networks of those stations to sell a pull-tab
19 series at more than one location during the same day if the sales are made

20 (1) at the customary place of business of one or more of the
21 participating stations or networks;

22 (2) at another location if the sales are made by an employee of one of
23 the stations or networks; or

24 (3) by a registered vendor.

25 * Sec. 18. AS 05.15 is amended by adding a new section to article 2 to read:

26 Sec. 05.15.188. PULL-TAB SALES BY VENDORS ON BEHALF OF
27 PERMITTEES THAT ARE NONCOMMERCIAL BROADCASTING STATIONS OR
28 NETWORKS OF SUCH STATIONS; VENDOR REGISTRATION. (a) A permittee
29 that is a noncommercial broadcasting station or a network of such stations may
30 contract with a vendor to sell pull-tabs on behalf of the permittee, if the permittee first
31 registers the vendor with the department by applying for registration on a form pre-

1 scribed by the department and by submitting the registration fee of \$50 for each
2 location at which the vendor will sell pull-tabs.

3 (b) Upon approval of the vendor registration, the department shall issue an
4 endorsement to the permittee's permit that authorizes the conduct of pull-tab sales at
5 that vendor location.

6 (c) The endorsement issued under (b) of this section is an extension of the
7 permittee's privilege under AS 05.15.100 to conduct pull-tab sales in this state. A
8 vendor may not sell a pull-tab series until a copy of the permit containing the
9 endorsement for the new vendor location has been posted by the permittee in the
10 registered vendor establishment. The endorsed permit must be clearly visible to the
11 gaming public.

12 (d) A separate endorsement shall be issued for each vendor location. The
13 permittee shall inform the department when a vendor with whom the permittee is
14 contracting changes the physical location at which pull-tabs are sold, and shall return
15 to the department all copies of a permit endorsed to a vendor that is no longer selling
16 pull-tabs on behalf of the permittee. Failure to inform the department of a change in
17 vendor location, or to return the endorsed copies of a permit to the department after
18 a vendor change, may constitute grounds for the suspension or revocation of a
19 permittee's permit.

20 (e) At the time that a permittee annually renews its permit, it shall also renew
21 the registration of all locations where a vendor is selling pull-tabs on the permittee's
22 behalf and shall pay a registration fee of \$50 for each vendor location.

23 (f) A permittee that uses a vendor to sell pull-tabs on its behalf shall enter into
24 a written contract with that vendor. The department may inspect this contract. If the
25 contract contains provisions that violate this chapter or the regulations adopted under
26 it, the department may declare the contract void, and may suspend or revoke the
27 registration of the vendor and the permit of the permittee.

28 (g) A person, other than a permittee's member-in-charge, may not directly
29 supply a pull-tab series to a registered vendor for sale by that vendor on behalf of the
30 permittee.

31 (h) If a permittee contracts with a vendor under (a) of this section, the contract

1 must provide that the permittee shall receive no less than 50 percent of the ideal net.

2 (i) An amount equal to the ideal net less the compensation owed to the vendor
3 shall be paid by the vendor to the member-in-charge upon delivery of a pull-tab series
4 to the vendor for sale. The amount required to be paid by the vendor shall be paid by
5 check and the check may not be drawn in a manner that the payee is not identified.

6 (j) An operator may not contract with or use a vendor to sell pull-tabs.

7 * Sec. 19. AS 05.15.200(b) is amended to read:

8 (b) A person who, with the intent to mislead a public servant in the
9 performance of the public servant's duty, submits a false statement in an application
10 for a permit, license, or vendor registration under this chapter [,] is guilty of unsworn
11 falsification.

12 * Sec. 20. AS 05.15.210 is amended by adding new paragraphs to read:

13 (36) "ideal net" means an amount equal to the total amount of receipts
14 that would be received if every individual pull-tab ticket in a series were sold at face
15 value, less the prizes to be awarded for that series;

16 (37) "noncommercial broadcasting station" means a radio or television
17 station that is licensed by the Federal Communications Commission to a governmental
18 entity or to an entity that is exempt from federal taxation under 26 U.S.C. 501(c)(3)
19 (Internal Revenue Code);

20 (38) "vendor" means a business whose primary activity is not regulated
21 by this chapter but that is engaged in the sale of pull-tabs on behalf of a permittee,
22 holds a business license under AS 43.70, and is

23 (A) a retail establishment;

24 (B) an eating establishment; or

25 (C) an establishment licensed under AS 04.11.

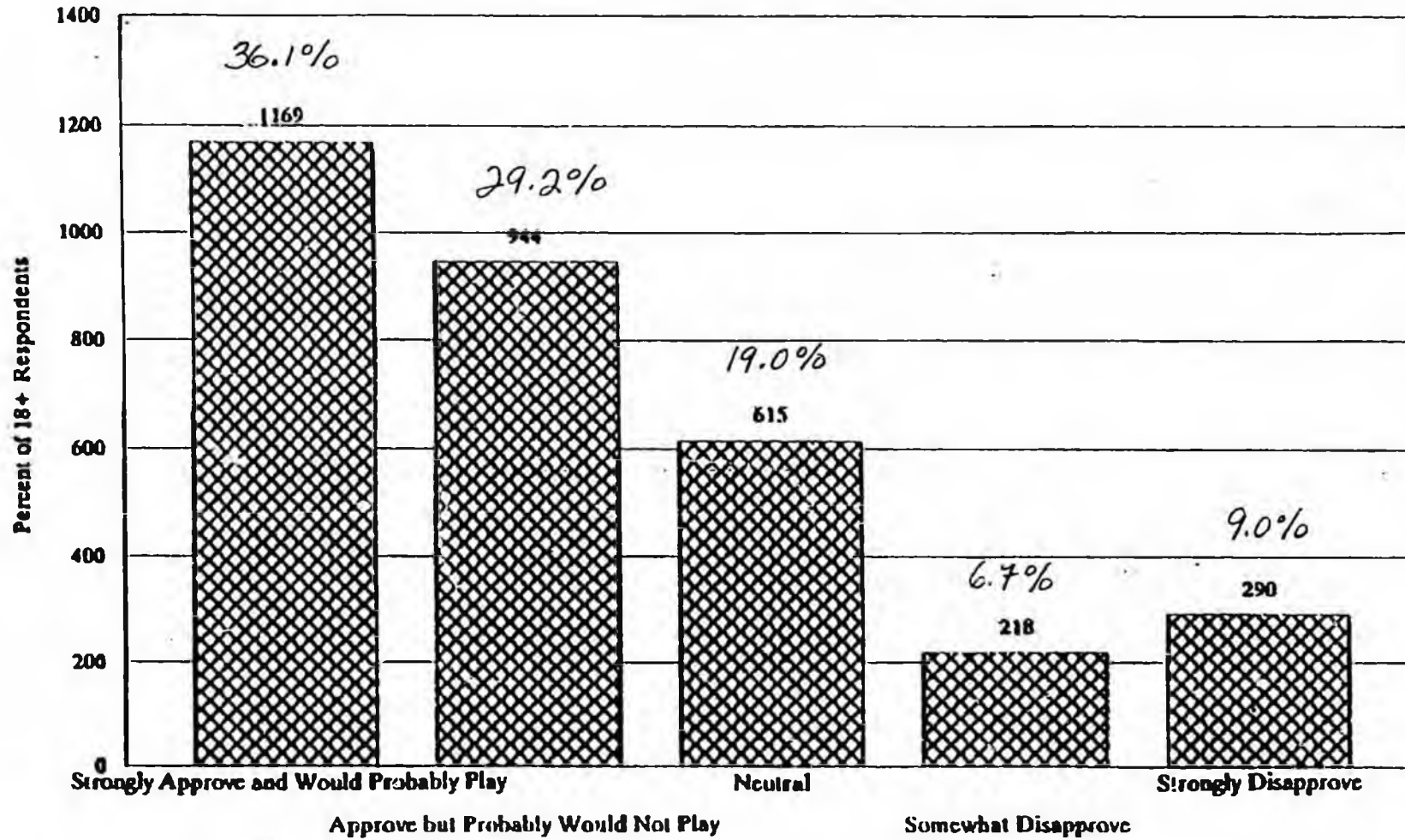
26 * Sec. 21. AS 05.15.187(h) is repealed July 1, 1996.

27 * Sec. 22. Except for sec. 4 of this Act, this Act takes effect immediately under
28 AS 01.10.070(c).

29 * Sec. 23. Section 4 of this Act takes effect July 1, 1996.

Area: State of Alaska (NSTSA)

Date: Dec. 12, 1991 - Feb. 5, 1992



Question: The Alaska legislature passed a law last year allowing public radio and TV stations to raise money for the operations by conducting an on-air lottery game. The law allows public radio and TV stations to broadcast fund-raising games over the air up to 12 hours each year. How do you feel about public radio and TV stations conducting on on-air lottery game to raise money?

WARNING: The audience listening estimates and other information contained in this report are copyrighted. The unauthorized reuse of any of the contents of this report constitutes copyright infringement and the user is subject to damages of up to \$40,000, criminal penalties of up to one year imprisonment and a \$10,000 fine, and a civil penalty, fees pursuant to Sections 504, 512, and 513 of the United States Copyright Act of 1976. Worldwide Radio Research has granted Subscribers a limited license to use the information contained in this report. Any person or entity that wishes to obtain a limited license to use this information may contact Worldwide Radio Research at the address listed in front of this report.

SB

203

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 2/11/94

FURTHER:

DATE TURNED INTO OFFICE: _____

The Finance Committee considered SENATE BILL NO. 203

"An Act requiring unified municipalities to provide police protection and law enforcement services; and providing for an effective date."

Died in SFC 1994.

and recommends:

- replace with _____ CS _____ (FINANCE) same title
- or adopt previous _____ CS _____ () new title
- attaches amendment(s) technical title change (HB only)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

NEW FISCAL NOTES

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

DO PASS.

OTHER RECOMMENDATIONS:

1. _____
Co-Chair: Signature/Recommendation

2. _____
Co-Chair: Signature/Recommendation

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

Frank DATE: 4/21/93

FURTHER: FINANCE

Date of 5-Day Notice: 1/19/94
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 2-10-94

CRA Committee considered SB 203

"~~An Act~~ requiring unified municipalities to provide police protection and law enforcement services; and providing for an effective date."

and recommends it be replaced with

and recommends:

replace with _____ CS SB 203 (CRA) same title
 attaches amendment(s) new title
 adopts _____ Letter of Intent technical title change (HB only)
 further referral to the _____ *and report it* *HB... as follows* *& main report* *back* *w/ no rec*

- do pass
- do not pass
- no recommendation
- individual recommendations

01-01
1-01

FISCAL NOTE INFORMATION

	Department	Date	Zero	Fiscal
CS	DPS	2/10/94		\$160.7
SB	DPS	10/5/93	✓	

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note Governor's Bill with Previous Fiscal Notes (enter information above)

DO PASS.
(2) Lie Adam

OTHER RECOMMENDATIONS:
(1) Robin L. Taylor No Rec.
(1) Loren J. Alman No Rec.
(1) [unclear] No Rec.
[unclear]

(1) Roll et al. No Rec.

 Chair: Signature and Recommendation

HISTORY IN THE SENATE

1993

4/21
4/23
1994
8/11

Read first time and referred to:

CRA
ADDED FIN: CRA FIN

CRA RPT() CS 1 DP 4 NR 4 DNP AM
New Title Same Title Previous FN
 FN OFN To SEN

RPT() CS DP NR DNP AM
New Title Same Title Previous FN
FN OFN To

RPT() CS DP NR DNP AM
New Title Same Title Previous FN
FN OFN To

Rules Calendar() CS AM Other
New Title Same Title Previous FN
FN OFN

Read second time
CS Adopted () New Title
Amended Advanced

Read third time
Letter of Intent adopted
Return to second for specific amendment

PASSED	EFD Same ___ or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Reconsideration
Reconsideration not taken up

PASSED	EFD Same ___ or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Reported correctly engrossed
Signed by President, to House

Secretary of the Senate

HISTORY IN THE HOUSE

19

Read first time and referred to:

RPT CS() New Title
DP DNP NR AM
FN OFN Previous FN

RPT CS() New Title
DP DNP NR AM
FN OFN Previous FN

RPT CS() New Title
DP DNP NR AM
FN OFN Previous FN

Read second time
CS() Adopted

Amended

Advanced

Read third time

Return to second for specific amendment

PASSED	EFD Same ___ or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Intent adopted

Reconsideration
Reconsideration not taken up

PASSED ON RECON.	EFD Same ___ or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Intent adopted

Reported correctly engrossed, signed by the Speaker
and returned to the Senate

Chief Clerk of the House

SENATE-HOUSE HISTORY Continued

19	<p>Received from the House Version: _____</p> <p>Concur in House amendment Y ___ N ___ E ___ A ___ _____ Efd same or Y ___ N ___ E ___ A ___</p> <p>Failed to concur in House amendment, ask House recede Y ___ N ___ E ___ A ___</p> <p>House failed to / receded from amendment Y ___ N ___ E ___ A ___</p> <p>CC appointed by Senate _____ Chair _____</p> <p>CC appointed by House _____ Chair _____</p> <p>(S) Granted Limited Powers of Free Conference</p> <p>(H) Granted Limited Powers of Free Conference</p>
----	--

19	<p>(S) Adopted CC Rpt _____ Y ___ N ___ E ___ A ___ _____ Efd same or Y ___ N ___ E ___ A ___</p> <p>(H) Adopted CC Rpt _____ Y ___ N ___ E ___ A ___ _____ Efd same or Y ___ N ___ E ___ A ___</p> <p>To enrolling Received from enrolling Sent to Governor</p> <p>_____ By Governor</p> <p>Chapter Number _____</p> <p>Filed with Lieutenant Governor</p>
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A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR RIEGER

TO: CSSB 203(CRA)

Page 1, line 1, after "areas":

Insert "established subject to voter approval"

Page 1, lines 1 - 2:

Delete "; and to police protection provided by the state in certain municipal areas"

Insert "for services to be provided by the Department of Public Safety"

SENATE FINANCE
COMMITTEE
Amendment Number: ①
Bill Number: SB 203
Sponsor: RIEGER Date: 4/8/94
Logged In By: IBM