

ALASKA LEGISLATURE

1802

HOUSE and SENATE FINANCE COMMITTEE FILES, 1997-1998

Section 97 would allow a putative father to request administrative paternity establishment. Section 98 would allow a party to an administrative paternity proceeding to provide information showing good cause not to order genetic testing. Section 99 would allow a second genetic test if requested and paid by a party, and provide for a second hearing if the results contradict those of the first test. Section 100 would clarify that the genetic test costs may be recovered from the putative father unless he is excluded by the test results. Under Section 101, the agency could determine that good cause exists not to require genetic testing, after considering the child's best interests, and could then enter an order after hearing or conclude the proceedings without making a determination of paternity.

Section 102 would deny the agency authority to administratively disestablish paternity if there was an acknowledgment of paternity or an admission of paternity.

Sections 103 and 104 would clarify that CSED may initiate a modification of one of the agency's administrative child support orders.

Section 105 would allow CSED to conduct periodic reviews and adjustments of child support orders without having to show a material change of circumstances has occurred when such review and adjustments are required by federal law.

Section 106 would clarify the appropriate statutory section under which paternity is established administratively.

Section 107 would ensure that liens entered under the child support enforcement laws of another state are given full faith and credit in this state, and clarify that a lien entered under Alaska's law may be enforced by execution in the full amount of the obligor's liability at the time of execution.

Section 108 would allow the child support agency of another state, or a person enforcing a child support obligation, to serve the lien on someone who owes money to the obligor.

Section 109 through 122 would amend the statute dealing with suspension or revocation of licenses to include recreational hunting and fishing licenses, and to include among those whose licenses may be suspended, revoked or denied, not only child support obligors with an arrearage, but also those who have refused to comply with subpoenas or warrants relating to a child support enforcement matter. These new provisions would void recreational hunting or fishing licenses, including big game drawing hunt permits, issued to persons on the list maintained by CSED of child support obligors with an arrearage and persons who have failed to comply with a subpoena or warrant. Subsistence hunting, hunting for personal consumption, subsistence fishing and personal use fishing activities would be allowed under a license that is void for recreational purposes. Because of the brief duration of recreational hunting and fishing licenses, no provision is made for temporary licenses. The Department of Fish and Game would be required to print a statement on fishing and hunting license forms regarding these provisions. The section would also add commercial fishing crewmen's licenses to the list of occupational licenses subject to denial or suspension for non-payment of child support.

Similarly, sections 123 through 131 would add to the list of persons who may have a driver's license suspended or denied, a person who fails to comply with a subpoena or warrant relating to a child support enforcement matter.

Section 132 would allow issuance of an order to withhold and deliver property without prior notice to the child support obligor, and would specify the permissible timing of such an order. Section 133 would allow an income withholding order to be served electronically as well as by first class mail. Under Sec. 134, the property withheld under the order would have to be delivered to the agency within seven business days of when earnings would have been paid to the employee, or if it is property other than earnings, then within 14 business days after service of the order.

Section 135 would require parties to a paternity proceeding to provide the tribunal with certain information about themselves and their employers.

Section 136 would allow a tribunal to give notice by first class mail to a party's last known address instead of pursuant to Alaska Civil Rule 5, if diligent efforts to serve notice have been made.

Section 137 would delete the current requirement that CSED may report to a credit bureau or lending institution only information up to ten years old.

Section 138 would change the standard for CSED's reporting of the address of a party or child - under this amendment, a tribunal may order that such information not be provided upon a showing that such disclosure would unreasonably put at risk the health, safety, or liberty of a party or child.

Section 139 would void a transfer of personal or real property made to avoid child support.

Section 141 would amend the definition of "earnings" to clarify that it includes many types of income and benefits. Under Section 142, the definition of "support order" would be amended to clarify that it includes an order entered on behalf of a child who has reached the age of majority, and one that requires payment of various types of costs and fees, including health care costs, in addition to monetary support. Section 143 would add definitions for "business day" and "tribunal."

Section 144 would require CSED to determine, and to inform DHSS, whether a person receiving temporary assistance benefits is in compliance with the requirements to cooperate with the establishment of paternity or enforcement of a support order. DHSS would then determine if the person has good cause not to comply with the requirement.

Section 151 would repeal certain existing statutory provisions.

Sections 152 through 158 describe the sections that would have the effect of amending Alaska Court Rules.

Section 160 would offer transitional authority for CSED to proceed to adopt regulations to implement these provisions, to be effective no sooner than the effective date of the statutory amendments.

Sections 161 through 165 indicate the effective dates of the various sections of the bill.

I:\EVERSON\CSED\SECTION2.WPD

**National Conference
of State Legislatures**

Memo

To: Interested Parties
From: Carl Tubbesing, Shari Staisel and Dana Reichert, NCSL
Date: 8 May 1997
Re: Child Support Developments in the 1997 Legislative Session

As you requested, we have prepared a brief analysis of child support enforcement legislation under consideration in state legislatures during the current legislative session.

Although states expressed their general dislike of the new requirements, the adjourned legislatures were able to make most of the necessary changes, with some anticipated problems along the way. Many states are still in the midst of discussing the child support provisions. They will look towards the actions of the adjourned legislatures as a way to evaluate their options in dealing with the requirements. Legislatures have expressed concern over several of the federal requirements, including, the denial of a right to jury trial, revocation of hunting and fishing licenses, administrative rather than judicial adjudication of child support (including administrative bank liens), privacy concerns, employer mandates and the general feeling the federal legislation was imposing on the rights of states. Idaho stated its concerns within the legislation itself. Other states stated concerns that there was too much to do in one legislative session. Interest groups have expressed concerns about these provisions, including bankers, employers, privacy rights groups like the ACLU, and father's rights associations.

There has only been one official response from the U.S. Department of Health and Human Services to a state that was considering not passing the federal mandates. The attached letter from the HHS regional office in Dallas expresses the penalties that may be imposed on Oklahoma if they do not comply with federal law. In a close reading of the legislation, it appears that a state could face a range of fiscal sanctions from a child support audit penalty, to 5% penalty in the TANF block grant (that must be backfilled with state dollars), to potentially not being eligible for TANF for not running a child support program with an approved state plan.

States may apply for an exemption from implementing certain requirements of the child support law. On February 10, HHS issued a program instruction allowing states to apply for waivers of the required 21 different state laws and procedures specified in section 466 of the act. A state must demonstrate to the satisfaction of the Secretary of HHS that any one, or all, of the required laws and procedures will not increase the effectiveness and efficiency of the state's child support enforcement programs or that they have an effective similar program or procedure in place. The HHS program instruction is enclosed.

Please feel free to contact the NCSL staff who are working on child support for further information. Dana Reichert of the Denver office is tracking state legislation and can be reached at

303-830-2200. Sheri Staisel of the D.C. office is monitoring national trends and the federal activity and can be reached at 202/624-8593.

Summary of Child Support Developments in the 1997 Legislative Session

Several legislatures have already ended their 1997 session. So far, no state has adjourned without passing most of the needed legislation to conform with the new requirements in federal law established by PL 104-193.

To date, Georgia, Idaho, Maryland, Montana, New Mexico, South Dakota, Utah, Virginia, and Wyoming have ended their sessions and passed needed reforms.

ENACTMENTS

The following is a brief summary of some major enactments:

Idaho It is not clear whether Idaho is totally in compliance with changes mandated by federal law. The bills passed and signed by the governor do not include provisions that expand administrative authority, deny a right to a jury trial, some provisions related to paternity establishment, and a work requirement for non-custodial parents. Idaho may be trying to get a waiver of these requirements from HHS as discussed in the HHS program instruction of February 10. Prior to the 1997 legislative session, Idaho had enacted license revocation and adopted UIFSA.

Highlights

- **SB 1062**
Expands UIFSA.
- **SB 1062**
Establishes a directory of new hires.
- **SB 1224**—This bill specifically states the legislature's stance that the federal requirements are unreasonable, and that statutory changes will do little to improve collections.
Establishes a work group to collaborate with financial institutions to plan for and implement a data match system.
- **SB 1064**
Allows the department to order genetic testing

New Mexico Prior to the 1997 legislative session, New Mexico had adopted UIFSA and placed restrictions on licenses for non-payment of child support.

Highlights

- **SB 1162**
Establishes the Human Services Department as the IV-D Agency; Expands all necessary administrative authority provisions, including property and banking liens, and credit bureau reporting.

Establishes a centralized case registry.

Requires the department to establish a directory of new hires

Collection of Social Security numbers.

All paternity related provisions including denial of a right to jury trial.

Work requirements for non-custodial parents.

Requires the department to collaborate with financial institution to develop and operate a data match system.

South Dakota Prior to the 1997 session, South Dakota had adopted UIFSA and placed restrictions on licenses for non payment of child support.

Highlights

- SB 268

Establishes the Department of Social Services as the IV-D Agency; Expands all necessary administrative authority provisions, including property and banking liens, and credit bureau reporting. Names the department as the central case registry.

Requires the department to establish a directory of new hires.

License revocation to include occupational and recreational licenses.

Collection of Social Security numbers.

Requires the department to collaborate with financial institution to develop and operate a data match system.

All paternity related provisions including denial of a right to jury trial.

Utah passed the necessary provisions with minimal conflict. Prior to the 1997 legislative session, Utah had adopted UIFSA and placed restrictions on driver's license for non-payment of child support.

Highlights:

- SB 64

License revocation.

All paternity related provisions, including the repeal of the right to trial by jury.

Collection of Social Security numbers.

Requires the department to establish a centralized new hire registry .

Requires the department to collaborate with financial institution to develop and operate a data match system.

Establishes the Office of Recovery Services as the IV-D agency; Expands all necessary administrative authority provisions, including property and banking liens, and credit bureau reporting.

Strengthens UIFSA..

Work Requirements for non-custodial parents.

Wyoming legislators expressed their concern that the federal government was imposing on the rights of states. The main pieces of child support legislation passed without including any provisions for new-hire reporting. A concession was made by adding an amendment to the end of their welfare bill (Chapter 193) that gave the governor authority to establish rules and regulations allowing for information provided by any employer to the department to be used to track new hires for child support enforcement purposes, and to develop and implement minimum reporting requirements to be in compliance with the new hire reporting requirement. Prior to the 1997 legislative session, Wyoming had adopted UIFSA..

The legislature did not pass a provision denying the right to a trial by jury. The provision was included in an earlier version of the Senate bill, but was taken out before passage. The House did not consider putting the measure back in. There has not been discussion about the further actions, or how the states plans to address the fact this provision was not included.

Highlights:

- Chapter 128

License revocation provisions, including hunting and fishing.

- Chapter 193

Expands all necessary administrative authority provisions, including property and banking liens, and credit reporting.

All paternity related provisions except denial of a jury trial.

Work requirement for non-custodial parent.

Declares the Department of Family Services as the IV-D agency and requires the department to establish rules and regulations.

Requires the department collaborate with financial institutions to develop and operate an automated data matching system for the purpose of identifying and matching obligors who are in arrears.

Collection of Social Security numbers.



OFFICIAL BUSINESS

Alaska State Legislature

Senate

May 9, 1997

STATE CAPITOL
JUNEAU, ALASKA 99801-1182
(907) 465-3701
FAX: 385-2832

MESSAGE TO THE HOUSE

Engrossment has been waived
in accordance with
Uniform Rule 43(b).

MADAM SPEAKER:

Certified amendment(s) attached.

The Senate passed:

CS FOR SENATE BILL NO. 154(FIN) am

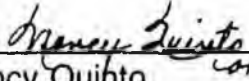
"An Act making statutory changes that will be repealed on July 1, 1999, relating to paternity determination and child support; making statutory changes that will be repealed on July 1, 1999, relating to reporting of and access to financial or other information for child support purposes; making statutory changes that will be repealed on July 1, 1999, to laws relating to occupational licenses, crewmember fishing licenses, drivers' licenses, and other permits, certificates, or other authorizations issued by the state, other than recreational fishing and hunting licenses, to facilitate administration of child support laws; making statutory changes that will be repealed on July 1, 1999, relating to immunity from civil liability for good faith compliance with reporting or other requirements for child support purposes; making statutory changes that will be repealed on July 1, 1999, relating to voiding fraudulent transfers and to penalties for noncompliance with orders for child support purposes; making statutory changes that will be repealed on July 1, 1999, providing that an obligor will be considered to be in substantial compliance with a support order or payment schedule if a court determines that the obligor is making the best efforts possible to have no arrearages; making statutory changes that will be repealed on July 1, 1999, providing that the authority of a tribunal to order that service be given to a party by first class mail applies to subsequent child support enforcement efforts by the agency with respect to that party; making statutory changes that will be repealed on July 1, 1999, allowing a party aggrieved by an order of nondisclosure of information relating to a party or a child in a child support proceeding to contest that order in a hearing when the order was based on an ex parte finding of risk; retaining existing law relating to the duty of employers and labor unions to provide employment and compensation reports to the child support enforcement agency; making statutory changes that will be repealed on July 1, 1999, requiring that administrative subpoenas of the child support enforcement agency be served in the manner provided for

Message to the House
CSSB 154(FIN) am
May 9, 1997
Page 2

service of liens by the agency; making statutory changes that will be repealed on July 1, 1999, requiring that administrative orders to withhold and deliver be served by the child support enforcement agency electronically or in the manner provided for service of liens by the agency; retaining existing law with respect to whether a lien arising under the child support laws of another state shall be given full faith and credit in this state; making statutory changes that will be repealed on July 1, 1999, allowing the child support enforcement agency of this or another state, but not any other person, to serve a copy of certain liens relating to child support at any time after recording of the lien; making statutory changes that will be repealed on July 1, 1999, allowing the periodic modification of child support orders without a showing of a material change in circumstances but only if the order was not modified in the three years preceding the periodic modification; making statutory changes that will be repealed on July 1, 1999, modifying the duties of the child support enforcement agency but not authorizing the agency to enter into contracts or agreements with contractors to perform some or all of the function of the agency's disbursement unit; reenacting and reinstating existing laws relating to child support and paternity determination upon the repeal of the changes made by this law on July 1, 1999; amending Rules 4, 5, 35, 52, 58, 78, 90.1, and 90.3, Alaska Rules of Civil Procedure; amending Rule 901, Alaska Rules of Evidence; amending Rules 3 and 5, Alaska Bar Association Rules; repealing the effective date of sec. 45, ch. 107, SLA 1996; and providing for an effective date."

and transmitted for consideration.

Under Rule 43(b) of the Uniform Rules engrossment of the above bill has been waived and certified amendments are attached.



Nancy Quihto
Secretary of the Senate

SB

154

SNFS

WFLS

STATE OF ALASKA
1997 LEGISLATIVE SESSION

Bill Version: CS 98154 (HES)
(S) Publish Date: 4/29/97

Revision Date: 04/25/97
Title: Paternity Determination & Child Support
Sponsor: Pearce
Requestor: Senate HESS

Dept. Affected: Health and Social Services
BRU: State Health Services
Component: Bureau of Vital Statistics
COMPONENT SERIAL NO. 961
See also (SN#): _____

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY98	FY99	FY00	FY01	FY02	FY03
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 EXPENDITURES						
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CHANGES IN REVENUES ()						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY97) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

The Division of Public Health is submitting this revised fiscal note to reflect a zero cost. The Bureau of Vital Statistics will be able to reduce the one time costs by performing the reprogramming of the vital records file in house through the utilization of the two staff Analyst/Programmers. The remaining costs of \$4.7 will be covered by the current budget allocation.

5/4/97

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

Phone: (907) 465-3090
Date: 04/25/97
Date: 4/25/97

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MAY 8 1997

Revision Date: _____ Dept. Affected: Revenue
 Title: Child Support and Paternity BRU: Child Support Enforcement
 Component: Child Support Enforcement
 Sponsor: Senator Pearce
 Requestor: (S) HES COMPONENT SERIAL NO. 111

Expenditures/Revenues: (Thousands of Dollars)

	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
OPERATING EXPENDITURES						
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 EXPENDITURES						
CHANGE IN REVENUES ()						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY97) cost \$ 0.0

POSITIONS:

FULL-TIME					
PART-TIME					
TEMPORARY					

ANALYSIS: (Attach a separate page if necessary)

While this fiscal note reflects no increased operating funds associated with this legislation, there are continuing increases in federal requirements. These increases will continue to drive up the costs of collecting child support. To meet these increasing federal demands each state must review its operating procedures and workflow requirements and determine if these are best met with an increase of personnel and contracting for services or with further automation.

Past experience has shown that adding modest increments has ultimately resulted in an increase in revenues that meet or exceed the general fund increment. In a different budget atmosphere, we would have asked for funding authority for an additional \$2.2 million. Of that amount \$680,000 would have been general fund appropriation. Because of the intense focus on the general fund line (regardless of any corresponding increase in revenue), we have not asked for more operating funds. In addition, a review of workflow within the Division indicates that an increase in automation would provide a better solution at this time. With the maximum use of technology (see capital budget), we can better attempt to meet federal requirements without additional operating costs.

Prepared by: Glenda Staube Phone: 269-6801
 Division: Child Support Enforcement Date: April 25, 1997
 Approved by Commissioner: Wilson L. Condon *Robert M. Bartolone for* Date: April 25, 1997
 Agency: Revenue

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FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

REPORTED DATE
MAY 8 1997

No. 3
Bill Version: CS SB 154(AES)
(S) Publish Date: 4/29/97

Revision Date: _____ Department: Commerce and Economic Development
Title: An Act relating to paternity determination and child BRU: Occupational Licensing
support; ... _____ Component: Operations
Sponsor: Senator Pearce
Requestor: Senate HESS COMPONENT SERIAL NO. 1844

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
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 EXPENDITURES						
CHANGE IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other 1091 Designated PR						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 97) cost: \$ 0.0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

SB 154 amends the Centralized Licensing statutes of AS 08.01 to: 1) require the social security number of applicants; 2) allow copies of records maintained for child support enforcement purposes to be copied to other child support enforcement agencies; and 3) prohibit the renewal of a license unless a social security number is provided. New funds are not required to implement these provisions.

Prepared by: Jennifer Strickler, Administrative Manager Phone: 465-2144
Division: Occupational Licensing Date: 4/22/97
Approved by Commissioner: William L. Hensley Date: 4-23-97
Agency: Commerce and Economic Development

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REPORTED 1997F
MAY 8

FISCAL NOTE

No. 4
Bill Version: CSSB 154(HES)
(S) Publish Date: 4/29/97

STATE OF ALASKA
1997 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected: Alaska Court System
Title: Child Support Obligations BRU: Trial Courts
Sponsor: Sen. Pearce Component: _____
Requestor: Senate HESS COMPONENT SERIAL NO. 788

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 00	FY 01	FY 02	FY 03
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 EXPENDITURES						
CHANGE IN REVENUES ()						

Fund Source (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 97) cost: None

Positions

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Although SB 154 increases the types of licenses subject to revocation, no significant increase in court reviews is anticipated as most hunting, fishing, and crewmen license revocations will be done concurrently with driver's license revocations.

Note that the court will see an increase in the number of actions related to people hunting, fishing, and crewing without a license. Because the number of such cases cannot be accurately assessed, no cost is estimated.

Prepared by: Doug Wooliver, Administrative Attorney Phone: 264-8228
Agency: Alaska Court System Date: 04/28/97

Approved by: Stephanie J. Cole, Acting Administrative Director Date: 04/28/97
Agency: Alaska Court System

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STATE OF ALASKA
1997 LEGISLATIVE SESSION

FISCAL NOTE

No. 5
Bill Version: CSSB 154(HES)
(S) Publish Date: 4/29/97

REPORTED OUT OF
SFC MAY 8 1997

Revision Date: _____
Title: Paternity Determination and Child Support
Sponsor: Senator Drue Pearce
Requestor: HESS, Finance

Dept. Affected: Health and Social Services
BRU: Public Assistance
Component: ATAP
COMPONENT SERIAL NO. 220
See also (SN#): _____

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY98	FY99	FY00	FY01	FY02	FY03
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 EXPENDITURES						
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CHANGES IN REVENUES ()						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY97) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

The proposed legislation, if enacted and adequately funded, will increase child support collections. Presuming that the increase in collections includes additional support payments for dependent children receiving assistance from ATAP, DPA should see an increase in designated general fund program receipts.

If CSED is unable to implement provisions of this legislation, CSED will be out of compliance with federal law (PL104-193). Failure to comply with federal law results in a penalty of up to 5% of the federal TANF block grant. Federal law also requires that in the year following a reduction in the TANF grant due to a penalty, the state must increase its spending by an amount equal to the penalty. The penalty for non-compliance could be as much as \$3,150,000 in the first year.

DPA does not have enough information to determine the fiscal impacts of this legislation.

SJP/AN

Prepared by: Jim Nordlund
Division: Public Assistance

Phone: 45-3349
Date: 04/14/97

Approved by Commissioner: Karen Perdue, Commissioner
Agency: Department of Health & Social Services

Date: 7/17/97

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REPORTED OUT OF
SFC MAY 8 1997

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

No. 6
Bill Version: C3SB154(HES)
(S) Publish Date: 4/29/97

Revision Date: _____
Title: Child Support and Paternity.....
Sponsor: Senator Pearce
Requestor: S. HESS

Department Affected: Administration
BRU: Motor Vehicles
Component: Driver Services, Field Services
COMPONENT SERIAL NO. 0501.0502

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
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 EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 97) cost: \$ _____

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

Section 150 is the only section in the bill that relates to the Division of Motor Vehicles (DMV). Section 150 does not have any fiscal impact to DMV.

Prepared by: Juanita M. Hensley
Division: Motor Vehicles

Phone: 465-2650
Date: 4/21/97

Approved by Commissioner: Mark Boyer
Agency: Department of Administration

Alison M. Elgee
Date: 4/21/97

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FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

REPORTED OUT OF
SFC MAY 8 1997

No. 7
Bill Version: CS SB 154 (HES)
(S) Publish Date: 4/29/97

Revision Date: _____
Title: Paternity Determination and Child Support

Dapt. Affected: Health and Social Services
BRU: Family and Youth Services
Component: DFYS Central Office

Sponsor: Pearce
Requestor: S HESS

COMPONENT SERIAL NO. 359
See also (SN#): _____

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY98	FY99	FY00	FY01	FY02	FY03
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 EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGES IN REVENUES ()						
-------------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY97) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

The Division of Family and Youth Services does not have sufficient information to estimate whether CSED collections on the Division's behalf will have any fiscal impact

Prepared by: L. Diane Worley, Director
Division: Family & Youth Services
Approved by Commissioner: Karen Perdue, Commissioner
Agency: Department of Health & Social Services

Phone: 465-3191
Date: 04/10/97

Date: 4/17/97

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SENATE FINANCE COMMITTEE REPORT

DATE: 4/29/97

REPORTED OUT OF
FURTHER: SSC MAY 8 1997

DATE TURNED
IN TO OFFICE: 5-8-97

Finance Committee considered
CHILD SUPPORT & PATERNITY

SENATE BILL NO. 154

CS forthcoming

and recommends:

- be replaced with CS SB 154 (FIN)
- adopt previous CS ()
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical change
 - new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
		<i>Joseph Harrell</i>	<input checked="" type="checkbox"/>		
		<i>John Brown</i>	<input checked="" type="checkbox"/>		
Co-Chair: <i>[Signature]</i>	<input checked="" type="checkbox"/>	Co-Chair:			
Co-Chair:		Co-Chair: <i>[Signature]</i>	<input checked="" type="checkbox"/>		

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

7	DHSS-DFYS	4/17	<input checked="" type="checkbox"/>	
6	DOA	4/21	<input checked="" type="checkbox"/>	
5	DHSS-Pub. Asst.	4/17	<input checked="" type="checkbox"/>	
4	Court	4/28	<input checked="" type="checkbox"/>	
3	DCED	4/22	<input checked="" type="checkbox"/>	
2	DOR	4/25	<input checked="" type="checkbox"/>	
1	DHSS-Pub. Health	4/25	<input checked="" type="checkbox"/>	

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

SENATE FINANCE
COMMITTEE

Amendment Number: 1 0-LS0853\B.1
Bill Number: SB 154 Lauterbach
Sponsor: Parnell Date: 5/7/97 5/7/97
Logged In By: JK

A M E N D M E N T

OFFERED IN THE SENATE

TO: CSSB 154(HES)

moved BY SENATOR PARNELL
w/o objection, adopted
withdrawn

- 1 Page 30, line 27, following "U.S.C. 666(a)(17)":
- 2 Insert "; the agency may pay a reasonable fee to a financial institution for
- 3 conducting a data match under a contract or agreement under this subparagraph: the
- 4 fee may not exceed the actual costs incurred by the financial institution for conducting
- 5 the data match"

CSSB154(HESS)
CSED Expanded Provisions
of Federal Welfare Reform Requirements

*Sen. Parnell
moved to delete*

- Section 87(f) — Mandate is \$500. CSED provision is a civil penalty not more than \$1,000
- Section 87(f) — Since Alaska already has a less restrictive new hire law, we have until 10/1/98 to change our law to comply with federal requirements
- Section 140 (e) — Federal law requires respondents to send property to CSED within 7 business days of garnishment. This CSED expanded provision uses the same deadline for answering requests for information
- Section 91(e) — Federal requirement to comply with administrative subpoenas. This CSED expanded provision allows the court to levy a civil penalty of \$5,000 for obstructing justice (e.g., destroying documents or falsifying documents)

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH 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

May 8, 1997

SUBJECT: Paternity and Child Support (CSSB 154(FIN))

TO: Senator Drue Pearce
Attn: Jerry

FROM: Terri Lauterbach
Legislative Counsel



Enclosed is the CS you requested.

The references to interest rates and Civil Rule 60(b) have been deleted from the bill title because of the deletion of the sections in the HES CS that related to interest rates and retroactive changes to child support orders based on false information. The latter deletion, sec. 84 of the HES CS, also resulted in the deletion of sec. 164 of the HES CS which referred to the court rule change.

The conceptual amendment to "conform sec. 89(e) to federal law" is reflected in sec. 84(e) of the enclosed CS. I have attached a copy of the federal law that I think you meant. Please review that law and sec. 84(e) to ensure that your intent was met. Thank you.

TML:glc
97-307.glc

Enclosure

of the employer, an equivalent form, and may be transmitted by 1st class mail, magnetically, or electronically.

"(d) CIVIL MONEY PENALTIES ON NONCOMPLYING EMPLOYERS.—The State shall have the option to set a State civil money penalty which shall be less than—

"(1) \$25; or

"(2) \$500, if, under State law, the failure is the result of a conspiracy between the employer and the employee to not supply the required report or to supply a false or incomplete report.

"(e) ENTRY OF EMPLOYER INFORMATION.—Information shall be entered into the data base maintained by the State Directory of New Hires within 5 business days of receipt from an employer pursuant to subsection (b).

"(f) INFORMATION COMPARISONS.—

"(1) IN GENERAL.—Not later than May 1, 1998, an agency designated by the State shall, directly or by contract, conduct automated comparisons of the social security numbers reported by employers pursuant to subsection (b) and the social security numbers appearing in the records of the State case registry for cases being enforced under the State plan.

"(2) NOTICE OF MATCH.—When an information comparison conducted under paragraph (1) reveals a match with respect to the social security number of an individual required to provide support under a support order, the State Directory of New Hires shall provide the agency administering the State plan approved under this part of the appropriate State with the name, address, and social security number of the employee to whom the social security number is assigned, and the name and address of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

"(g) TRANSMISSION OF INFORMATION.—

"(1) TRANSMISSION OF WAGE WITHHOLDING NOTICES TO EMPLOYERS.—Within 2 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the State agency enforcing the employee's child support obligation shall transmit a notice to the employer of the employee directing the employer to withhold from the income of the employee an amount equal to the monthly (or other periodic) child support obligation (including any past due support obligation) of the employee, unless the employee's income is not subject to withholding pursuant to section 466(b)(3).

"(2) TRANSMISSIONS TO THE NATIONAL DIRECTORY OF NEW HIRES.—

"(A) NEW HIRE INFORMATION.—Within 3 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the State Directory of New Hires shall furnish the information to the National Directory of New Hires.

"(B) WAGE AND UNEMPLOYMENT COMPENSATION INFORMATION.—The State Directory of New Hires shall, on a quarterly basis, furnish to the National Directory of New Hires extracts of the reports required under section 303(a)(6) to be made to the Secretary of Labor concerning the wages and unemployment compensation paid to individuals, by such dates, in such format, and containing such



Handwritten notes on the right margin: "de", "ment", "front", "W.A."

Handwritten notes on the right margin: "C-11", "1-1-98", "1-1-98"

CSSB154 (FIN)
FEDERAL CHILD SUPPORT REQUIREMENTS
Child Support Enforcement Bill

Background

Congress and President Clinton have stressed the correlation between strong child support efforts and a successful welfare reform program. This bipartisan effort to strengthen child support laws recognizes the responsibility of ALL parents to support their children.

The new Federal Welfare Reform Law (PRWORA Act) makes substantial changes to child support mandates for all states and requires a major overhaul of Alaska child support operations. Many of these changes require only operational or regulatory changes. Listed below are the changes requiring statutory revisions.

Penalties

Without passage of the bill this year, Alaska can lose ALL federal funds for the child support program. The Public Assistance Division will lose \$8+ million in state reimbursements collected by CSED. Additionally, Alaska can lose a portion of their TANF block grant — possibly up to \$3.2 million.

Federal Mandates

- All employers must report new hires or rehires within 20 days (presently employers with 20 or more employees must report within a month). CSED must send data to feds within 7 days of receiving information.
- Employer must send withheld money to CSED in 7 days (presently 10 days)
- No prior notice of withholding order to obligors (presently prior notice given)
- Financial institutions and other entities must match data quarterly with CSED (reduces need for subpoenas to get financial information)
- Existing licensing statutes amended to:
 - make revocable for noncompliance with subpoena or warrant
 - add: hunting (for non-personal use); fishing (non-subsistence) and commercial fishing (crew members only - not limited entry) licenses
- Payments disbursed according to federal law - past AFDC recipients must receive all child support payments before state can collect to reimburse itself
- Social security numbers required on state licenses, permits and other documents, such as divorce decrees and death certificates. SSN must be shared with all state child support agencies.
- Various state agencies must provide information to all child support agencies - for child support purposes only
- Entities providing information or honoring CSED actions are immune from prosecution if acting in good faith
- Expanded paternity establishment requirements
 - after a 60-day period, a signed acknowledgment of paternity can't be rescinded - except in a court and based on fraud, duress, or material mistake of fact

Federal Child Support Requirements
Child Support Enforcement Bill
Page 2

- parents must be informed of rights and consequences of signing an acknowledgment of paternity
- acceptance of paternity establishments from other states
- putative father can request blood tests and establishment of paternity
- DHSS to decide "good cause" exceptions to required genetic testing and CSED decides noncompliance
- parties to paternity establishment must provide employer information - so that the support order can be established and a withholding order can be sent quickly
- Location of custodial parent or children to be withheld if risk to health, safety or liberty (presently in interstate law, but not domestic law)
- Conformance with ALL provisions of Uniform Interstate Family Support Act
- Authority to contract out child support disbursement functions
- State authority to require delinquent obligors to participate in appropriate work activities
- Fraudulent transfers voided when used to evade child support collections
- Recognizing liens from other states
- Legal service by first class mail if diligent efforts made for in-person delivery
- No "statute of limitations" on reporting arrears to credit bureaus



DEPARTMENT OF HEALTH & HUMAN SERVICES

Administration for
Children and Families

97 MAR 20 AM 9:15
RECEIVED

2201 Sixth Avenue, Suite 600
Seattle, WA 98121-1827

Glenda Straube
Director
Child Support Enforcement Division
550 West 7th, 4th Floor
Anchorage, Alaska 99501-3556

RECEIVED
MAR 20 1997

MAR 12 1997

CSED-DIRECTOR

Dear Ms. Straube:

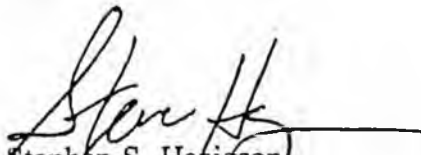
Thank you for your inquiry concerning the child support enforcement provisions of the recently enacted Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193), often referred to as Federal welfare reform.

As you know, PL 104-193 introduced several new child support enforcement requirements which, pursuant to Sections 454 and 466 of the Social Security Act, must be reflected in State law in order for a State to maintain an approved Title IV-D State Plan. If a State fails to enact any of the required State laws or procedures under section 466, or otherwise fails to comply with any State plan requirement under section 454, they are at risk of having their State plan disapproved and of losing all Federal IV-D funding.

Alaska received approximately \$11.2 million in Title IV-D funding for the administration of its child support program in FY 1996, as well as nearly \$3 million in Title IV-D performance-related child support incentives. Furthermore, under section 409(a)(8) of the Social Security Act a State failing to comply with the requirements of title IV-D of the Act could also lose a portion of its Federal funding under the Title IV-A (Temporary Assistance to Needy Families) program. Alaska's Federal funding for IV-A for FY 1997 will be about \$63 million dollars.

As always, we in the Regional Office are available to review and discuss issues concerning the implementation of Federal welfare reform requirements with you or with any other representatives of the state. Please let me know if we can be of any assistance.

Sincerely,


Stephen S. Henigson
Regional Administrator

State Plan Disapproval

PROGRAM INSTRUCTION

ACTION TRANSMITTAL

OCSE-AT-97-05

April 28, 1997

TO: STATE AGENCIES ADMINISTERING CHILD SUPPORT ENFORCEMENT PLANS APPROVED UNDER TITLE IV-D OF THE SOCIAL SECURITY ACT AND OTHER INTERESTED INDIVIDUALS

SUBJECT: Procedures for Determining That a State IV-D Plan is Disapproved

BACKGROUND: Title III of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), P.L. 104-193, made a number of amendments to sections 454 and 466 of the Social Security Act (the Act), requiring States to either establish new, or modify existing, procedures effective either October 1, 1996, March 1, 1997 or October 1, 1997. For States which require legislation in order to conform their State IV-D plans to the revised statute, section 395(b)(2) of PRWORA provides a grace period until not later than the 1st day of the 1st calendar quarter beginning after the close of the 1st regular session of the State legislature that begins after the date of enactment of PRWORA (August 22, 1996). In cases which require that the State constitution be amended, section 395(c) of PRWORA provides a grace period until one year after the effective date of the State constitutional amendment, but no later than five years after the date of enactment of PRWORA.

CSE is tracking the progress of each of the States in enacting the new State plan requirements and mandatory laws, and is noting the date when each State's 1997 legislative session ends in order to ascertain when these laws are required to be in effect and when the State must submit new or amended State plan material for approval by OCSE in order to operate a Child Support Enforcement program according to the requirements of title IV-D of the Act. If a State fails to submit the necessary State plan amendments, OCSE will have to determine that the State does not have an approvable State plan. A determination that a State IV-D plan is disapproved will result in immediate suspension of all Federal payments for the State's child support enforcement program, and such payments will continue to be withheld until the State IV-D plan can be approved by OCSE.

STATUTORY

AUTHORITY: Section 455(a)(1)(A) of the Act specifies that funds appropriated under title IV-D shall be paid to States with approved State IV-D plans. There is no authority to expend Federal funds under title IV-D of the Act for the operation of a Child Support Enforcement program unless such State has an approved State IV-D plan.

Section 466 of the Act requires that all States, as a condition for approval of their State IV-D plan, must have in effect laws requiring the use of mandatory procedures to increase the effectiveness of their Child Support Enforcement programs. As a condition for State plan approval, section 454(20) of the Act provides that, to the extent required by section 466, States must have laws in effect and implement the procedures prescribed in or pursuant to such laws.

Section 454 of the Act sets the statutory requisites for the State IV-D plan. In addition, regulations at 45 CFR 301.10 define the State IV-D plan as a comprehensive statement submitted by the IV-D agency describing the nature and scope of its program. The State IV-D plan contains all the information necessary for the Office of Child Support Enforcement (OCSE) to determine whether the plan can be approved, as a basis for Federal financial participation in the State IV-D program.

Section 452(a)(3) of the Act requires that OCSE review and approve State plans for Child Support Enforcement programs under title IV-D of the Act. The authority to approve State plans is delegated to the Regional Office, but OCSE retains authority for determining that a State IV-D plan is not approvable.

As stated above, a determination that a State IV-D plan is disapproved will result in immediate suspension of all Federal payments for the State's child support enforcement program, and such payments will continue to be withheld until the State IV-D plan can be approved by OCSE. If a State is dissatisfied with OCSE's decision, reconsideration may be requested pursuant to 45 CFR 301.14. Withholding of Federal payments cannot be stayed pending reconsideration.

Section 402(a)(2) of the Act (as amended by PRWORA) provides that the chief executive officer of a State must certify that it will operate a child support enforcement program under an approved IV-D plan as a condition of eligibility for a TANF block grant under title IV-A of the Act. Therefore, States should be aware that TANF funds may also be at risk.

Although it is not required under Title IV-D of the Act, OCSE will give States an advance notice of "Intent to Disapprove" a previously approved State IV-D plan. The State will then be permitted the opportunity to waive reconsideration of the OCSE's final decision and to exercise, prior to the State plan approval/disapproval decision, the right to a hearing under the procedures set forth a 45 CFR Part 213. If the State elects to pursue its hearing rights prior to issuance of OCSE's decision, no further administrative appeal will be allowed.

ATTACHMENT: Instructions for State Plan Disapproval
Timeable of Effective Dates 1997 Legislative Calendar

SUPERSEDED

MATERIAL: OCSE-AT-86-21

INQUIRIES: ACF Regional Administrators

/ S /

Anne F. Donovan
Acting Deputy Director
Office of Child Support

Enforcement

April 25, 1997

The Honorable Gary Wilken
Alaska State Legislature
State Capitol, Room 510

Dear Senator Wilken:

SB 154 brings Alaska statutes into compliance with the child support provisions of PL 104-193. Passage and implementation of this conforming legislation is needed to avoid fiscal penalties imposed against the state's TANF block grant. The following provides additional information on the penalties that will be imposed if the state is not in compliance with the federally mandated child support provisions of PL 104-193.

Under federal law, failure to comply with paternity establishment and child support enforcement requirements under part D of PL104-193 results in a penalty of up to 5% of the federal TANF block-grant. The block grant payable to the state would be reduced following this schedule:

- For the first quarter and each subsequent quarter that ends before the first quarter that the state is found to be in compliance, not less than 1% and not more than 2%.
- For the second consecutive finding that the state is out of compliance not less than 2% and no more than 3%;
- For the third and subsequent findings of non-compliance not less than 3% and not more than 5%.

Federal law also stipulates that in the fiscal year following a reduction in the TANF grant due to a penalty, states must increase their state spending by an amount equal to the penalty.

If this legislation is not enacted and implemented and the federal penalties are applied, the state would have to voluntarily replace lost federal funds in the first year of the penalty in order to maintain ATAP funding at adequate levels. Federal law, however, mandates that the state must replace these funds in subsequent years. Under a worse case scenario, the maximum penalty that could be levied for non-compliance would be approximately \$3.2 million and the state would be required to offset the loss dollar for dollar in the fiscal year following the year the penalty was imposed.

The net affect of not complying with child support provisions of PL104-193 is a substantial increase in GF spending. However, passage and implementation of this legislation would likely increase child support collections for ATAP children and generate additional general fund program receipts for ATAP.

If you have any questions or need additional information, please contact me or my assistant, Ron Kreher, at 465-3349.

Sincerely,

Jim Nordlund
Director of Public Assistance

Cc: Glenda Straube, Director
Child Support Enforcement Division

SB

157

HFIN

FILE



House Finance Committee

DATE: 3/26/98

PLACE: Cap 5F

SUBJECT OF MEETING:

HB 81
SB 157
HJR 5
HB 252

HB 144
SB 221

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
Sarah Felix	Dept of Law	State of Alaska	99811		465-3607	<input checked="" type="radio"/> Y	N HJR 5
Jim Bolson	"				4	<input checked="" type="radio"/> Y	N HJR 5
Juanita Hensley	ADMIN	DMV			465-5648	Y	N Questions SB 157
Patricia Lounsbury	Rep Services				271	<input checked="" type="radio"/> Y	N HJR 31
Karaine Deel	ASHNKA	All state hospital nursing assn.			586-1790	<input checked="" type="radio"/> Y	N HJR 5
Kame Layson	Law				465-3424	Y	N Answer HB 252 Questions
						Y	N
						Y	N
						Y	N
						Y	N
						Y	N

Page ___ of ___

R. Ryan's staff person

STATE OF ALASKA

TONY KNOWLES, GOVERNOR

DEPARTMENT OF EDUCATION
OFFICE OF THE COMMISSIONER

GOLDBELT PLACE
801 WEST 10TH STREET, SUITE 200
JUNEAU, ALASKA 99801-1894

(907) 465-2800
FAX (907) 465-4156

April 17, 1997

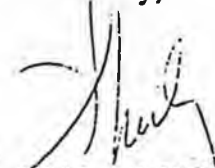
The Honorable Dave Donley
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Senator Donley:

Thank you for sponsoring legislation to offer children's trust license plates to the public. This revenue-generating idea also serves as a daily reminder for Alaskans to put children first. We need to take every opportunity to promote programs for children. Sign me up for plates!

I support your efforts and want to thank you personally for investing your time and energy in the Alaska Children's Trust - Alaska's savings account for kids. I look forward to working with you on children's issues in the future.

Sincerely,



Shirley J. Holloway, Ph.D.
Commissioner

11-7-97
272

Support children's trust

Child abuse is Alaska's shame, and there have rightfully been important articles on this subject in your newspaper. Few people may know, however, about one important solution: the Alaska Children's Trust. The Trust awards funds to organizations across Alaska to promote prevention of child abuse and neglect. Yet this year, only 23 percent of those requests for funding could be provided due to lack of needed funding.

Thanks to Sen. Dave Donley, legislation has been introduced to obtain funds for the Alaska Children's Trust: Senate Bill 157. SB 157 creates a funding source by permitting the sale of custom Alaska Children's Trust license plates to any Alaskan who applies. This program pays for itself, and many other states already have adopted similar programs. The special license plates are a reminder in themselves about the importance of caring for Alaska's children, each and every one.

Also introduced was SB 117, which encourages "infant care" instruction as an addition to the health education curriculum in high schools. Alaska has consistently higher rates of mortality for infants ages 3 months to 1 year than do other states. If passed into law, SB 117 will help give growing Alaskans the basic infant care skills that statistics indicate may be lacking in Alaska, causing high mortality rates. Education in the schools means education in the home, as students pass on what they learn. Students later become adults, and the time to train them in infant care is before the infant arrives in their own lives.

I applaud Sen. Donley for introducing this important and vitally needed legislation and for his desire to help children and their families. These two bills represent two steps in the right direction, and a badly needed boost for the Alaska Children's Trust fund will, hopefully, be the result. This isn't someone else's problem. It is all of ours as Alaskans. I encourage each of your readers to write his/her senator and representative and the governor. The Alaska Children's Trust fund can go a fair distance in addressing this challenge across Alaska — provided that the trust is properly funded.

— Taren Klingler
Anchorage

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: February 12, 1998

FURTHER REFERRALS:

Date of Committee Action: 3/26/98

The FINANCE Committee considered:

CSSB 157(FIN)

CS FOR SENATE BILL NO. 157(FIN)

CHILDREN'S TRUST LICENSE PLATES

"An Act establishing a children's trust motor vehicle registration plate."

recommends it be replaced with the following committee substitute CSSB 157(FIN) [] the same title
[] a new title

[] additional referral to _____ Committee
[] attached amendment(s)

ADOPTS: _____ Letter of Intent

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

APPROVES PREVIOUS: (Dept/Date) _____

[] fiscal note(s) _____

[x] fiscal note(s) DOA 1/23/98

[] zero fiscal note(s) _____

[] zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>Gene Theriault</i>	Theriault			X	
<i>Berry Martin</i>	Martin			X	
<i>Vicki Kohring</i>	Kohring				X
<i>Sal Davies</i>	J. Davies	X			
<i>Ben Grussendorf</i>	Grussendorf	X			
<i>Charles E. Moses</i>	J. Moses	X			
<i>G. Davis</i>	G. Davis		X		
<i>John Kelly</i>	Kelly				✓

CO CHAIR'S SIGNATURE

Gene Theriault
Theriault

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

No. 2
BILL NO. Bill Version: CSSB157(FIN)
(S) Publish Date: 1/23/98

Revision Date: 1/20/98
Title: "An Act establishing a children's trust license plate...."
Sponsor: Senator Donley
Requestor: (S) FIN

Department Affected: Administration
BRU: Motor Vehicles
Component: Field Services
COMPONENT SERIAL NO. 2151

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES	2.2					
TRAVEL						
CONTRACTUAL	17.7					
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	19.9	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	19.9					
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	19.9	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 98) cost: \$ none

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

See attached.

Prepared by: Juanita Hensley
Division: Motor Vehicles

Phone: 465-5648
Date: 1/20/98

Approved by Commissioner: Mark Boyer
Agency: Department of Administration

Date: 1/20/98

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FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. CSSB 157(FIN) #2

ANALYSIS: (continued)

This bill establishes a special license plate for children's trust fund. Under this proposed legislation the special plate is \$100.00 per set of plates. The license plate manufacturer requires a minimum of 900 sets of plates for the purchase of a new design plate. This bill will require a new design for the license plate.

SUMMARY

FY99

TRANSACTION COSTS

Personal Services costs associated with reissue of new plate-900 sets of plates @ \$2.43 per set	2.2
Overhead cost associated with program and includes: forms license tabs, DP chargeback, shipping/freight	2.7

DESIGN COSTS

Set-up costs for new design sheeting	10.0
Graphic art design for design of new plate	<u>5.0</u>
TOTAL	19.9



SENATOR DAVE DONLEY
ALASKA STATE LEGISLATURE

SPONSOR STATEMENT SB 157
Establishing a Children's Trust License Plate

SB 157 establishes a motor vehicle registration plate that the department may design and issue to represent the Alaska Children's Trust. It allows the legislature to appropriate funds received from the sale of these registration plates into the principal of the Alaska Children's Trust.

The primary purpose of the Alaska Children's Trust is to work in partnership with communities, private business, and government to reduce and prevent child abuse, neglect, and family violence. The Children's Trust will improve the status of children in Alaska by generating funds and committing resources to promote healthy families and by assisting in developing healthy communities.

Other states such as Louisiana, California, Missouri, Nevada, and Illinois have created specialized license plates for the benefit of children and have had great success in raising funds for this worthwhile cause.

DD/ljh

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June-December: 716 W. 4TH AVE. • STE. 430 • ANCHORAGE, AK • 99501 • (907) 258-8181 • FAX: (907) 258-1648

MEMBER: Senate Finance Committee • Legislative Budget & Audit Committee
• Senate Community & Regional Affairs Committee

Produced in House

SB

157

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 5/6/97

FURTHER: 1/20/98

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered SENATE BILL NO. 157

"An Act establishing a children's trust motor vehicle registration plate."

and recommends:

- be replaced with _____ CS SB 157 (FIN)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical change
 - new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Handwritten signatures]</i>	<input checked="" type="checkbox"/>	<i>[Handwritten initials]</i>			
	<input checked="" type="checkbox"/>				
Co-Chair:		Co-Chair:			
Co-Chair: <i>[Handwritten signature]</i>	<input checked="" type="checkbox"/>	Co-Chair:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
DOA, Div. Motor Vehicle	1/20/98		19.9

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

SENATE FINANCE
COMMITTEE

0-LS0683VA.1

Ford

1/19/98

Amendment Number: 11-1

Bill Number: SB 157

Sponsor: Donley Date: 1/19/98

Logged In By: [Signature]

A M E N D M E N T

OFFERED IN THE SENATE

TO: SB 157

moved BY SENATOR DONLEY
no objection, adopted

1 Page 1, lines 9 - 11:

2 Delete "The legislature may appropriate funds received under this subsection into the
3 principal of the Alaska children's trust established under AS 37.14.200."

4 Page 1, following line 11:

5 Insert a new bill section to read:

6 **** Sec. 2.** AS 28.10.421(d) is amended by adding a new paragraph to read:

7 (14) special request Alaska children's trust plates \$100
8 plus the fee required for that vehicle under (b)(1) or (2) of this section; the fee
9 required by this paragraph shall be collected only on the first issuance and the
10 replacement of special request plates; the commissioner of administration shall
11 separately account for the fees received under this paragraph that the department
12 deposits in the general fund; notwithstanding (g) of this section, the annual estimated
13 balance in the account that is in excess of the cost of issuing special request plates
14 may be appropriated by the legislature into the principal of the Alaska children's trust
15 under AS 37.14.200."

SENATE FINANCE
COMMITTEE

Amendment Number: 2
Bill Number: SB 157
Sponsor: Parnell Date: 1/21/98
Logged In By: J.S.

0-LS0683VA.2

Ford
1/19/98

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR PARNELL

TO: SB 157

1 Page 1, line 1:

2 Delete "~~establishing~~"

3 Insert "**relating to**"

4 After "**trust**":

5 Insert "**and domestic violence prevention**"

6 Delete "**plate**"

7 Insert "**plates**"

8 Page 1, line 3:

9 Delete "a new subsection"

10 Insert "new subsections"

11 Page 1, following line 11:

12 Insert new material to read:

13 "(11) Special request domestic violence prevention plates. Upon application
14 by the owner of a passenger vehicle, noncommercial van or pick-up truck, or motor
15 home, the department may design and issue registration plates representing domestic
16 violence prevention. The department may disapprove the issuance of registration
17 plates under this subsection when the requested plates are a duplication of an existing
18 registration.

19 * **Sec. 2.** AS 28.10.421(d) is amended by adding a new paragraph to read:

20 (14) special request domestic violence prevention plates \$100
21 plus the fee required for that vehicle under (b)(1) or (2) of this section; the fee
22 required by this paragraph shall be collected only on the first issuance and the
23 replacement of special request plates; the commissioner of administration shall

1 separately account for the fees received under this paragraph that the department
2 deposits in the general fund; notwithstanding (g) of this section, the annual estimated
3 balance in the account that is in excess of the cost of issuing special request plates
4 may be appropriated by the legislature for the prevention of domestic violence."



SENATOR DAVE DONLEY

ALASKA STATE LEGISLATURE

SPONSOR STATEMENT SB 157 Establishing a Children's Trust License Plate

SB 157 establishes a motor vehicle registration plate that the department may design and issue to represent the Alaska Children's Trust. It allows the legislature to appropriate funds received from the sale of these registration plates into the principal of the Alaska Children's Trust.

The primary purpose of the Alaska Children's Trust is to work in partnership with communities, private business, and government to reduce and prevent child abuse, neglect, and family violence. The Children's Trust will improve the status of children in Alaska by generating funds and committing resources to promote healthy families and by assisting in developing healthy communities.

Other states such as Louisiana, California, Missouri, Nevada, and Illinois have created specialized license plates for the benefit of children and have had great success in raising funds for this worthwhile cause.

DD/ljh

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June-December: 716 W. 4TH AVE. • STE. 430 • ANCHORAGE, AK • 99501 • (907) 258-8181 • FAX: (907) 258-1648

MEMBER: Senate Finance Committee • Legislative Budget & Audit Committee
• Senate Community & Regional Affairs Committee

Produced in House

STATE OF ALASKA

TONY KNOWLES, GOVERNOR

DEPARTMENT OF EDUCATION
OFFICE OF THE COMMISSIONER

*GOLDBELT PLACE
801 WEST 10TH STREET, SUITE 200
JUNEAU, ALASKA 99801-1894*

*(907) 465-2800
FAX (907) 465-4156*

April 17, 1997

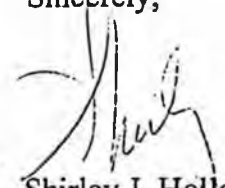
The Honorable Dave Donley
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Senator Donley:

Thank you for sponsoring legislation to offer children's trust license plates to the public. This revenue-generating idea also serves as a daily reminder for Alaskans to put children first. We need to take every opportunity to promote programs for children. Sign me up for plates!

I support your efforts and want to thank you personally for investing your time and energy in the Alaska Children's Trust - Alaska's savings account for kids. I look forward to working with you on children's issues in the future.

Sincerely,



Shirley J. Holloway, Ph.D.
Commissioner

10/20/97
ADN

Community can help children

Thanks to the efforts of Gov. Knowles and the Legislature, the board of the Alaska Children's Trust this summer awarded its first-ever grants. Fifty-six organizations from across the state applied for money from the trust. This response sent a clear message to our board that communities throughout Alaska are ready and committed to improving the lives of children and families. Unfortunately, with only \$285,000 available this year, we were limited to funding 12 of these proposals.

The Alaska Children's Trust Board is committed to seeing that the trust account continues to grow. Preventing child abuse and neglect requires the efforts of all of us — the state, businesses, communities and individual Alaskans. We will continue to explore new ways to raise more money for the trust.

We therefore support two pieces of legislation aimed at growing the trust principal. House Bill 125, sponsored by Rep. Hudson, would allow individuals to contribute \$25 to the Alaska Children's Trust by checking a box on their Permanent Fund dividend application. Senate Bill 157, by Sen. Donley, would allow individuals to buy special license plates representing the Alaska Children's Trust.

If legislation such as these bills passes — and if Alaskans are committed to contributing on behalf of children — we will be on our way to finding more innovative community programs that help kids and families.

— Carol Brice, chair
Alaska's Children's Trust

11-7-97
m/v

Support children's trust

Child abuse is Alaska's shame, and there have rightfully been important articles on this subject in your newspaper. Few people may know, however, about one important solution: the Alaska Children's Trust. The Trust awards funds to organizations across Alaska to promote prevention of child abuse and neglect. Yet this year, only 23 percent of those requests for funding could be provided due to lack of needed funding.

Thanks to Sen. Dave Donley, legislation has been introduced to obtain funds for the Alaska Children's Trust: Senate Bill 157. SB 157 creates a funding source by permitting the sale of custom Alaska Children's Trust license plates to any Alaskan who applies. This program pays for itself, and many other states already have adopted similar programs. The special license plates are a reminder in themselves about the importance of caring for Alaska's children, each and every one.

Also introduced was SB 117, which encourages "infant care" instruction as an addition to the health education curriculum in high schools. Alaska has consistently higher rates of mortality for infants ages 3 months to 1 year than do other states. If passed into law, SB 117 will help give growing Alaskans the basic infant care skills that statistics indicate may be lacking in Alaska, causing high mortality rates. Education in the schools means education in the home, as students pass on what they learn. Students later become adults, and the time to train them in infant care is before the infant arrives in their own lives.

I applaud Sen. Donley for introducing this important and vitally needed legislation and for his desire to help children and their families. These two bills represent two steps in the right direction, and a badly needed boost for the Alaska Children's Trust fund will, hopefully, be the result. This isn't someone else's problem. It is all of ours as Alaskans. I encourage each of your readers to write his/her senator and representative and the governor. The Alaska Children's Trust fund can go a fair distance in addressing this challenge across Alaska — provided that the trust is properly funded.

— Taren Klingler
Anchorage

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. CSSB 157(FIN)

890 1/20/98

Revision Date: 1/20/98
 Title: "An Act establishing a children's trust license plate...."
 Sponsor: Senator Donley
 Requestor: (S) FIN

Department Affected: Administration
 BRU: Motor Vehicles
 Component: Field Services
 COMPONENT SERIAL NO. 2151

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES	2.2					
TRAVEL						
CONTRACTUAL	17.7					
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	19.9	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	19.9					
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	19.9	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 98) cost: \$ none

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

See attached.

Prepared by: Juanita Hensley
 Division: Motor Vehicles

Phone: 465-5648
 Date: 1/20/98

Approved by Commissioner: Mark Boyer
 Agency: Department of Administration

Date: 1/20/98

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FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. CSSB 157(FIN)

ANALYSIS: (continued)

This bill establishes a special license plate for children's trust fund. Under this proposed legislation the special plate is \$100.00 per set of plates. The license plate manufacturer requires a minimum of 900 sets of plates for the purchase of a new design plate. This bill will require a new design for the license plate.

SUMMARY
FY99

TRANSACTION COSTS

Personal Services costs associated with reissue of new plate-900 sets of plates @ \$2.43 per set	2.2
Overhead cost associated with program and includes: forms license tabs, DP chargeback, shipping/freight	2.7

DESIGN COSTS

Set-up costs for new design sheeting	10.0
Graphic art design for design of new plate	<u>5.0</u>
TOTAL	19.9

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

No. 1
Bill Version: SB 157
(S) Publish Date: 5-6-97

Revision Date: _____
Title: An Act establishing a children's trust motor vehicle license plate...
Sponsor: Senator Donley
Requestor: (S) TRAN

Department Affected: Administration
BRU: Motor Vehicles
Component: Field Services

COMPONENT SERIAL NO. 0502

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	2.2					
TRAVEL	17.7					
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	19.9	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES (1005)						
----------------------------------	--	--	--	--	--	--

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	19.9					
1037 GF/Mental Health						
OTHER						
TOTAL	19.9	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 97) cost: \$ _____

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

SEE ATTACHED

Prepared by: Juanita M. Hensley
Division: Motor Vehicles

Phone: 465-2650
Date: 4/17/97

Approved by Commissioner: Mark Boyer
Agency: Department of Administration

Date: 4/17/97

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FISCAL NOTE
STATE OF ALASKA

1997 LEGISLATIVE SESSION

Bill No: CSSB 157 (TRAN)

ANALYSIS: (continued)

This bill establishes a special license plate for children's trust fund. Under this proposed legislation the fee for purchasing the special plate is \$100.00 per set of plates. The license plate manufacturer requires a minimum of 900 sets of plates for the purchase of a new design plate. This bill will require a new design for the license plate. The personal services estimates the cost associated with the reissue of the existing license plate for the new children's trust license plate.

SUMMARY OF EXPENSES

FY98

TRANSACTION COSTS

Personal Services costs associated with reissue of
new plate 900 sets of plates at \$2.43 per set 2.2

Overhead costs associated with program and includes;
forms, license tabs, DP chargeback, shipping/freight etc.
900 sets of plates at \$3.05 per transaction 2.7

NEW DESIGN COSTS

Set-up costs for new design sheeting 10.0

Design costs for design of new plate 5.0

TOTAL 19.9

**At this time, we are unable to estimate the number of sets of license plates that will be purchased and therefore, we are unable to project the amount of revenues.

SB

159

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: January 26, 1998

FURTHER REFERRALS:

Date of Committee Action: 2/11/98

The FINANCE Committee considered:

CSSB 159(L&C)

CS FOR SENATE BILL NO. 159(L&C)

NEW BUSINESS INCENTIVE PROGRAM

"An Act relating to the new business incentive program."

recommends it be replaced with the following committee substitute CS SB 159 (FIN) the same title a new title

additional referral to _____ Committee
 attached amendment(s)

ADOPTS: _____ Letter of Intent

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

APPROVES PREVIOUS: (Dept/Date) _____

fiscal note(s) _____

fiscal note(s) _____

zero fiscal note(s) _____

zero fiscal note(s) (2) DCED 1/23/98

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>Gene Therrault</i>	Therrault	X			
<i>Mark Hanley</i>	Hanley	X			
<i>John G. Davies</i>	J. Davies			X	
<i>Bar Grussendorf</i>	Grussendorf			X	
<i>Carl P. Moses</i>	Moses	X			
<i>Pat Kelly</i>	Kelly	✓			

CD CHAIR'S SIGNATURE

Gene Therrault *Mark P. Hanley*
 Therrault Hanley

FISCAL NOTE

o. 4
 Bill Version: CSSB159(L&C)
 (S) Publish Date: 1/23/98

STATE OF ALASKA
1998 LEGISLATIVE SESSION

Revision Date (Note if correction) _____	Dept. Affected <u>DCED</u>
Title <u>An Act relating to the new business incentive program</u>	BRU <u>AIDEA</u>
Sponsor <u>SEN. PEARCE, Ellis, Kelly, Taylor</u>	Component _____
Requester <u>Sen. Rules</u>	Component Serial No. <u>1234</u>

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
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 EXPENDITURES						
CHANGE IN REVENUES ()						

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY98) cost: 0.0

POSITIONS

Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*
 As amended, AIDEA will review applications, based on objective standards, submitted by new, non-competing entities that establish their business in Alaska. Based on meeting the criteria, AIDEA will make a recommendation to the Department of Commerce and Economic Development as to whether the business incentive grant should be applied to reimburse certain expenses associated with the establishment of the business in Alaska.

Prepared by <u>D. Pandy Simmons, Executive Director</u>	Phone <u>907.269.3000</u>
Division <u>AIDEA</u>	Date <u>1/22/98</u>
Approved by <u>Commissioner Deborah B. Sedwick</u>	Date _____
Agency <u>DCED</u>	

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FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. CSSB 159 (L&C)

Revision Date	<u>5/6/97</u>	Dept. Affected	<u>DCED</u>
Title	<u>New Business Incentive Program</u>	BRU	<u>Trade & Development</u>
		Component	<u>Trade & Development</u>
Sponsor	<u>Senator Pearce</u>		
Requester	<u>Senate Rules Committee</u>	Component Serial No.	<u>2056</u>

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
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 EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY98) cost: 0.0

POSITIONS

Full-time	0	0	0	0	0	0
Part-time						
Temporary						

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

The Department supports this legislation. The amount of time required to administer this program in conjunction with AIDEA is minimal and will be absorbed using current Department personnel.

Prepared by Bill Paulick *Bill Paulick*
 Division Trade & Development
 Approved by Commissioner Deborah B Sedwick *Deborah B Sedwick*
 Agency Commerce & Economic Development

Phone 465-3961
 Date 2/12/98
 Date 2-12-98

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*as amended***CS FOR SENATE BILL NO. 159(L&C)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered: 5/6/97

Referred: Finance

Sponsor(s): SENATORS PEARCE, Ellis, Kelly, Taylor, Wilken

A BILL**FOR AN ACT ENTITLED**

1 "An Act relating to the new business incentive program."

2 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**3 * **Section 1.** AS 44.88.080 is amended by adding a new paragraph to read:4 (26) to screen potential applicants for a new business incentive grant
5 and recommend the award of the grants under AS 45.81.020.6 * **Sec. 2.** AS 45 is amended by adding a new chapter to read:7 **Chapter 81. New Business Incentive Program.**8 **Sec. 45.81.010. New business incentive fund.** There is established in the
9 department the new business incentive fund. Up to \$3,000,000 may be appropriated
10 to the fund each fiscal year. The department may use money in the fund for new
11 business incentive grants. On June 30 of each fiscal year, the unexpended and
12 unobligated balance in the fund lapses into the general fund.13 **Sec. 45.81.020. Eligibility for grants.** (a) A new business or a business that
14 is opening a new branch in the state is eligible for a new business incentive grant if
15 (1) the business is primarily engaged in manufacturing a product for

1 export outside of the state;

2 (2) the business will not directly compete with an existing business that
3 is located in the state as determined by the department;

4 (3) for a business located in a municipality, the municipality has
5 provided support to the business in a form and in an amount acceptable to the
6 department;

7 (4) the business is primarily financed by the private sector; and

8 (5) the business has been recommended as complying with the
9 requirements for a business incentive grant by the Alaska Industrial Development and
10 Export Authority.

11 (b) The department shall prescribe by regulation the standards for new business
12 incentive grant eligibility and the form and procedure for submitting grant applications.
13 Subject to the availability of money in the new business incentive fund, the department
14 may award a grant to an eligible applicant in an amount that does not exceed the
15 amount recommended by the Alaska Industrial Development and Export Authority for
16 that applicant.

17 **Sec. 45.81.030. Use of grant money.** After awarding a new business incentive
18 grant, the department may pay money from the grant to the recipient business only as
19 reimbursement for one or more of the following costs incurred and paid by the
20 business:

21 (1) cost of relocating key personnel and of moving and installing
22 equipment and initial inventory;

23 (2) up to 50 percent of the cost of site preparation and installation of
24 utilities for a new facility;

25 (3) work force training costs for a period of up to 36 months in an
26 amount not to exceed \$5,000 for each employee receiving training during a 12-month
27 period if the costs are not covered by another governmental program;

28 (4) up to 50 percent of the costs of business feasibility analyses that
29 relate to situations unique to the state, market studies applicable to the state, and
30 business facility designs necessary to address conditions in the state.

31 **Sec. 45.81.040. Grant conditions.** (a) A business that receives a new

be operating and
1 business incentive grant must continue to operate in the state for at least five years
2 after the date the grant is awarded or must, within 90 days after ceasing to operate,
3 repay the grant money together with interest on the money in an amount established
4 by the department. A business that is a branch or subsidiary of another business may
5 not receive a grant unless that other business agrees, in a form acceptable to the
6 department, to be responsible for the obligation to repay grant money and interest
7 under this subsection.

8 (b) The department may set additional terms and conditions for the award of
9 new business incentive grants and for the payment of grant money. The terms and
10 conditions may include requirements for the repayment of grant money even though
11 repayment is not required under (a) of this section.

12 **Sec. 45.81.050. Definition.** For purposes of AS 45.81.010 - 45.81.050,
13 "department" means the Department of Commerce and Economic Development.

Alaska State Legislature



During Interim: (June - Dec)
716 West 4th Avenue, Suite 500
Anchorage, AK 99501-2133
(907) 258-8185
Fax (907) 258-0226

During Session: (Jan - May)
State Capitol
Juneau, AK 99801-1182
(907) 465-4993
Fax (907) 465-3872

Drue Pearce

Sponsor Statement

SB 159 - New Business Incentive Program

The New Business Incentive Program is an economic development grant program targeted to companies locating or expanding into new manufacturing businesses in Alaska. The program is designed to attract substantial business with high value, year round jobs.

The grant program would be limited to reimbursement of defined portions of relocation costs, site development costs, special employee training not covered by other programs, and special analysis of sites in Alaska. The program is limited to \$3,000,000 annually. Unallocated funds will be returned to the General Fund. Allocations must be made each year to fund the program, and will be administered by the Department of Commerce and Economic Development.

There are three essential functions that would be targeted through the New Business Incentive Program.

- 1.) **A need to generate cargo and freight exports from Alaska:** Interest in cargo flight activity has increased recently, and there is a window of opportunity for Alaska to capitalize on its location and cargo transfer capability. If we were to provide incentives for businesses to expand into this industry, then we could exploit our locational advantages in many regions including Fairbanks and Anchorage to give cargo carriers economic reasons to stop in Alaska.
- 2.) **A need for more diversity in the corporate tax base:** Manufacturing comprises a mere 6.2% of Alaska's economy. 81% of the \$207 million in corporate taxes for FY97 was paid by only ten corporations. Six were oil and gas companies. Companies who benefit from this program will be significant contributors to the corporate tax base within several years of initiating operations in Alaska. New revenues will flow to the state through existing mechanisms within three to five years.
- 3.) **Alaskans need high value jobs:** Over half of the manufacturers in Alaska who have more than 20 employees hire at least 60% of their workforce out of state. Many of these jobs are seasonal. Alaska needs to promote businesses that provide year round jobs that pay well and add value to the economy. Encouraging manufacturers that export high value products, will add revenue to the economy of the state and will create strong employment possibilities for Alaskans.

Legislative Priority: Anchorage has great potential to participate in a global economy, but one of the results of global economic activity is that we face global competition for business.

SB159

A New Business

Incentive Program

Major Fortune 500 companies are considering establishing operations in Anchorage, but they are also comparing Anchorage to other cities — cities which use sophisticated economic development tools to attract new business. To help sharpen Alaska's competitive edge, AEDC is promoting the legislative adoption of a statewide New Business Incentive Program (SB159/HB220).

Patricia DeMarco, Ph.D.
AEDC President

Aggressive incentive packages are standard fare in many domestic and international cities. States use incentives to create a more favorable business climate. In fact, over 75% of states responding to a survey by Site Selection Magazine reported that they approved new incentives in 1996-1997.

While incentives alone rarely account for a corporation's decision to locate or expand a business, they often tip the scale in favor of one location. In the case of Anchorage, the cost of site preparation and moving equipment and personnel presents a significant barrier to decision makers. How would you compare a location that offers 50% of lease costs in an existing building for ten years, with Anchorage which has higher lease cost or no existing building? Our location alone is not enough!

SB159/HB220 proposes a modest incentive program which could keep Anchorage and Alaska in the economic development game. The New Business Incentive Program is an economic development grant program targeted to companies locating or expanding into new manufacturing or value added business in Alaska. The program is focused on attracting substantial businesses that will create high value, year round jobs. "New business" refers to industries and operations that are new to Alaska (as opposed to "start-up" business).

This grant program would be limited to reimbursement of designated portions of relocation costs, site development costs, special employee training not covered by other programs, and special analysis of sites in Alaska. The program is limited to \$3,000,000 annually and is "reimbursable" (i.e. companies are reimbursed for expenses rather than paid up front). There is a "claw back" provision which requires companies to pay the State back, with interest, if they don't remain in Alaska for five years. The New Business Incentive Program will be administered by the State of Alaska's Department of Commerce and the Alaska Industrial Development Authority.

SB159/HB220 is important legislation which will help diversify our economy, provide jobs for Alaskans and broaden our economic base. For information about how you can support the New Business Incentive Program, see the box below.

Support SB159/HB220

Status of SB159: Senate Labor and Commerce acted favorably, Senate Finance acted favorably. Bill is now in Senate Rules Committee ready for assignment to Senate vote.

Status of HB220: Heard by Economic Development Committee. Referred to House Finance Committee. Awaiting action there.

What You Can Do: Write a letter of support for the bill to:

Senator Drue Pearce
Alaska Legislature
State Capital, Room 111
Juneau, Alaska 99801-1182
465-4993

and
Rep. Gail Phillips
Speaker of the House
Alaska State Legislature
State Capital, Room 208
Juneau, Alaska 99801-1182
465-2689

Please send a copy of your letter to AEDC, 550 West Seventh Ave, Suite 1400, Anchorage, AK 99501.

For More Information: Contact AEDC at 258-3700 for a copy of the bill, a fact sheet, and sample support letters.



TELEPHONE (907) 894-4702

FAX (907) 894-1205

Chugiak-Eagle River Chamber of Commerce

P.O. BOX 770353
EAGLE RIVER, ALASKA 99577

11401 OLD GLENN HIGHWAY, SUITE 110A
EAGLE RIVER, ALASKA 99577

"Place of Many Places"

January 22, 1998

TO: Senator Rick Halford
 Senator Randy Phillips
 Representative Pete Kott..
 Representative Vic Kohring
 Representative Fred Dyson

FROM: Chugiak-Eagle River Chamber of Commerce
 Board of Directors, Jim Young, President

RE: SB 159/HB 220 BUSINESS INCENTIVE PROGRAM

The Chugiak-Eagle River Chamber of Commerce is on record supporting SB 159/HB 220 "An Act Relating to the New Business Incentive Program".

The Chamber supports legislation which encourages economic diversification. We believe that the Business Incentive Program will permit Alaska to more effectively enter expanding global markets. Further, this legislation will allow Alaska to compete on a more level playing field with other states who are aggressively pursuing new industry. Finally, the creation of job opportunities, an outcome of new industry development, is essential to the long range health of the Alaskan economy.

We ask for your support on this legislation. In addition, we hope that if this program demonstrates success, you will consider increasing the annual allocation.

**CC: Bill Sponsors: Senator Drue Pearce & Representative Jerry Sanders
 Anchorage Economic Development Corporation**



REGAL ALASKAN HOTEL

RECEIVED

JAN 21 1998

January 21, 1998

The Honorable Drue Pearce
State Capitol, Room 518
Juneau, AK 99801

Dear Senator Pearce,

I am writing to you today to express my support for SB 159, legislation which would create a New Business Incentive Program for Alaska, currently under consideration by the state legislature.

Sincerely,

Max J. Lowe, CHA
General Manager

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A REGAL INTERNATIONAL HOTEL

4800 STENARD ROAD • ANCHORAGE, ALASKA 99517-3236
PHONE 907 243 2300 • FAX 907 243 8815 • WORLDWIDE RESERVATIONS 800.222.8888
<http://www.regal-hotels.com/Anchorage> • e-mail: regal@alaska.net

Municipality
of
Anchorage



Jordan
P.O. Box 196650
Anchorage, Alaska 99519-6650
Telephone: (907) 343-4431
Fax: (907) 343-4499
<http://www.ci.anchorage.ak.us>

Rick Mystrom, Mayor

OFFICE OF THE MAYOR

April 22, 1997

APR 25 '97

Senator Drue Pearce
Alaska State Legislature
Room 111
State Capitol
Juneau, AK 99801-1182

Dear Drue:

I am writing in support of SB159/HB220, an act related to the new business incentive program. The Municipality of Anchorage has placed a priority on expanding the global logistics operations at the Anchorage International Airport. The ALA is the largest of all cargo airports in the United States. It is important that we be in a position to add cargo to the planes that travel through Anchorage by means of time sensitive technical support adjacent to our airport.

Most other cargo hub centers offer significant state incentives for development of airport operations. Such businesses would include computer repair and return operations, final testing and assembly of electronics, and global distribution centers. The Municipality already has done its part with a property tax exemption program and an inventory tax exemption program to help with expanding such activities in Anchorage.

SB 159 allows Alaska to capitalize on its location and natural resources to enter high value, expanding global markets. As the budget deliberations in Juneau continue, we will be pressing for adoption of this measure. This program will help put Alaska on the horizon for future investment and add significantly to our economy.

Sincerely,

Rick Mystrom
Mayor

cc: Larry Anderson, Special Assistant to the Mayor
Patricia DeMarco, President, AEDC
"City of Lights and Flowers"



I am writing to you today to express our support for HB 220 and SB 159, legislation which would create a New Business Incentive Program for Alaska, currently under consideration by the state legislature. We believe that passage of this legislation is critical if Alaska is to expand its economic base and employment opportunities with relatively high paying jobs in the manufacturing sector.

We understand the competitive nature of attracting manufacturing and other value-added enterprises and believe that this program will help level the playing field for Alaskan communities. Most other states already have incentive programs on their books and Alaska needs this tool if we are to attract new business investment to our state and, in the process, develop a sustainable economic base that generates high quality, year-round jobs for our citizens.

We intend to contact our legislators and encourage them to support this legislation.

Sincerely,

A handwritten signature in cursive script that reads "Suzanne Linford".



WHOLESALE FOODS

135 Cordova • Anchorage, Alaska 99501 • Phone (907) 272-5050 • Fax (907) 272-5073



CHUGACH ELECTRIC
ASSOCIATION, INC.

April 30, 1997

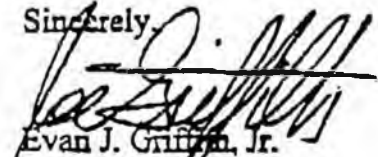
Ms. Patricia M. DeMarco, Ph.D.
President
Anchorage Economic Development Corporation
550 West Seventh Avenue, Suite 1400
Anchorage, Alaska 99501

Dear Dr. DeMarco:

I am writing to you today to express support for HB 220 and SB 159, legislation that would underwrite and create a **Business Incentive Program** for Alaska, currently under consideration by the State Legislature. I believe that passage of this legislation is crucial if Alaska is to expand its economic base and employment opportunities with relatively high paying jobs in the manufacturing sector.

The competitive nature of attracting manufacturing and other value-added enterprises is fierce and this program will help level the playing field for Alaskan communities. Most other states already have incentive programs on their books and Alaska needs this tool if we are to attract new business investment to our state and, in the process, develop a sustainable economic base that generates high quality, year-round jobs for our citizens.

Sincerely,



Evan J. Griffin, Jr.
Executive Manager,
Finance & Planning

 Peat Marwick LLP

601 West Fifth Avenue
Suite 700
Anchorage, AK 99501-2258

Telephone 907 276 7401

Telefax 907 274 4953

April 29, 1997

Patricia M. DeMarco, Ph.D.
President
Anchorage Economic Development Corporation
550 West 7th Avenue, Suite 1400
Anchorage, Alaska 99501

Dear Patty:

I am writing to you to express support for HB 220 and SB 159, legislation which would create a new Business Incentive Program for Alaska, currently under consideration by the State legislature. Passage of this legislation is critical if Alaska is to expand its economic base and employment opportunities with relatively highpaying jobs in the manufacturing sector.

With the competitive nature of attracting manufacturing and other value-added enterprises, this program will help level the playing field for Alaskan communities. Most other states already have incentive programs on their books and Alaska needs this tool if we are to attract new business investment to our state and, in the process, develop a sustainable economic base that generates high quality, year-round jobs for our citizens.

Feel free to share this letter with State of Alaska legislators.

Very truly yours,

KPMG Peat Marwick LLP



Michael E. Stone
Managing Partner

MES:amo

April 28, 1997

Patricia M. DeMarco, PH.D.
President
Anchorage Economic Development Corporation
550 West Seventh Ave, Site 1400
Anchorage, Alaska 99501

Dear Patty,

I am writing to you today to express our support for HB220 and SB159, legislation which would create a **NEW BUSINESS INCENTIVE PROGRAM** for Alaska, currently under consideration by the state legislature. We believe that passage of this legislation is critical if Alaska is to expand its economic base and employment opportunities with relatively high paying jobs in the manufacturing sector.

We understand the competitive nature of attracting manufacturing and other value-added enterprises and believe that this program will help "level the playing field" for Alaskan communities. Most other states already have incentive programs on their books and Alaska needs this tool if we are to attract new business investment to our state. This incentive program will help Alaskan communities develop a sustainable economic base that generates high quality, year-round jobs for our citizens.

We intend to contact our legislators and encourage them to support this legislation.

Sincerely,



Mitch Robison
Branch Manager
Debenham Electric Supply Company



Northrim Bank

April 28, 1997

Patricia M. DeMarco, Ph.D.
President
Anchorage Economic Development Corporation
550 West Seventh Avenue, Suite 1400
Anchorage, AK 99501

Dear Patty:

I am writing to you today to express our support for **HB 220 and SB 159**, legislation which would create a **New Business Incentive Program** for Alaska, currently under consideration by the state legislation. We believe that passage of this legislation is critical if Alaska is to expand its economic base and employment opportunities with relatively high paying jobs in the manufacturing sector.

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We intend to contact our legislators and encourage them to support this legislation.

Sincerely,

Marc Langland
President

hap



REGAL ALASKAN HOTEL

April 24, 1997

Senator Drue Pearce
716 W. 4th Avenue #500
Anchorage, AK 99501-2133

Dear Senator Pearce;

I am writing to you today to express our support for **HB 220 and SB 159**, legislation which would create a **New Business Incentive Program** for Alaska, currently under consideration by the state legislature. We believe that passage of this legislation is critical if Alaska is to expand its economic base and employment opportunities with relatively high paying jobs in the manufacturing sector.

We understand the competitive nature of attracting manufacturing and other value-added enterprises and believe that this program will help level the playing field for Alaskan communities. Most other states already have incentive programs on their books and Alaska needs this tool if we are to attract new business investment to our state and, in the process, develop a sustainable economic base that generates high quality, year-round jobs for our citizens.

Sincerely,

Max A. Lowe, CHA
General Manager

MJL:ta

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<http://www.regal-hotels.com/anchorage> • e-mail: regal@alaska.net



April 24, 1997

Patricia M. DeMarco, Ph.D
President
Anchorage Economic Development Corporation
550 West Seventh Avenue, Suite 1400
Anchorage, AK 99501

Dear Patty:

I am writing to you today to express our support for HB 220 and SB 159, legislation which would create a New Business Incentive Program for Alaska, currently under consideration by the state legislature. We believe that passage of this legislation is critical if Alaska is to expand its economic base and employment opportunities with relatively high paying jobs in the manufacturing sector.

We understand the competitive nature of attracting manufacturing and other value-added enterprises and believe that this program will help level the playing field for Alaskan communities. Most other states already have incentive programs on their books and Alaska needs this tool if we are to attract new business investment to our state and, in the process, develop a sustainable economic base that generates high quality, year-round jobs for our citizens.

We intend to contact our legislators and encourage them to support this legislation.

Sincerely,

Dennis C. Bird
Managing Director
Alaska Operations



*Above
the
Crowd!*

April 24, 1997

Patricia M. DeMarco, PhD.
President
Anchorage Economic Development Corporation
550 West seventh Avenue, Suite 1400
Anchorage, Alaska 99501

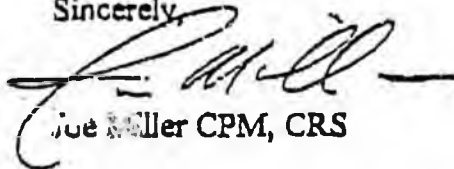
Dear Patty:

I am writing to you today to express our support for HB 220 and SB 159, legislation which would create a New Business Incentive Program for Alaska, currently under consideration by the state legislature. We believe that passage of this legislation is critical if Alaska is to expand its economic base and employment opportunities with relatively high paying jobs in the manufacturing sector.

We understand the competitive nature of attracting manufacturing and other value-added enterprises and believe that this program will help level the playing field for Alaskan communities. Most other states already have incentive programs on their books and Alaska needs this tool if we are to attract new business investment to our state and, in the process, develop a sustainable economic base that generates high quality, year-round jobs for our citizens.

We intend to contact our legislators and encourage them to support this legislation.

Sincerely,



Joe Miller CPM, CRS

RE/MAX properties, inc.
2800 cordova street, suite 100
anchorage, alaska 99503
office: (907) 276-2761
direct line: (907) 257-0156

each office independently owned and operated



April 23, 1997

Patricia M. DeMarco, Ph. D.
President
Anchorage Economic Development Corporation
550 West Seventh Avenue, Suite 1400
Anchorage, Alaska 99501

Dear Patty:

I am writing to you today to express our support for HB 220 and SB 159, legislation which would create a **New Business Incentive Program** for Alaska, currently under consideration by the state legislature. We believe that passage of this legislation is critical if Alaska is to expand its economic base and employment opportunities with relatively high paying jobs in the manufacturing and high technology sector.

We understand the competitive nature of attracting manufacturing and other value-added enterprises and know that this program will help level the playing field for talent in Alaskan communities, we can and have attracted some of the best talent from the lower 48. Most other states already have incentive programs on their books and Alaska needs this tool if we are to attract new business investment to our state and, in the process, develop a sustainable economic base that generates high quality, year-round jobs for our citizens.

We will contact our legislators and encourage them to support this legislation.

Sincerely,

Frank Tucker
President

- cc: Scott Thompson CEO,
- Brian Chronister Marketing Director,
- Rob Shipley Operations Manager

DOWL **ENGINEERS**

A Division of DOWL, Incorporated

April 22, 1997
W.O. D00001

Senator Drue Pearce, Co-chair
716 West 4th Avenue, Suite 500
Anchorage, Alaska 99501-2133

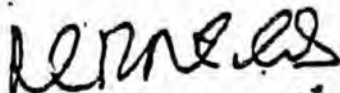
Fax: 465-3872

Dear Senator:

I am writing to you today to express our support for HB 220 and SB 159, legislation which would create a New Business Incentive Program for Alaska, currently under consideration by the state legislature. We believe that passage of this legislature is critical if Alaska is to expand its economic base and employment opportunities with relatively high paying jobs in the manufacturing sector.

We understand the competitive nature of attracting manufacturing and other value-added enterprises and believe that this program will help level the playing field for Alaskan communities. Most other states already have incentive programs on their books and Alaska needs this tool if we are to attract new business investment to our state and, in the process, develop a sustainable economic base that generates high quality, year-round jobs for our citizens.

Very truly yours,
DOWL Engineers



Melvin R. Nichols, P.E.
President

cc: Anchorage Economic Development Corporation

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