

ALASKA LEGISLATURE COMMITTEE FILES 2001-2002 8672

10643 SENATE RESOURCES



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Senator Drue Pearce
State Capitol
Juneau, AK 99801-1182

Fax: 907-263-5620

Dear Senator Pearce:

Between the end of the last legislative session and the one currently under way, the Task Force on Motorized Oil Transport, established by SB273 and SCR1 of the Twenty-first Legislature, was formed, met frequently, and produced a report, proposed regulations and proposed legislation to implement the recommendations of the Task Force. Those recommendations are embodied in the Task Force Report and in SB16. I was pleased to represent the cargo carriers on the Task Force.

It is my hope, and the hope of the Task Force members, that you will support the findings of the Task Force and will support movement of the bill. We were able to develop our findings largely by consensus. While this was definitely the higher and more difficult road, it ensured that everyone had a voice in the outcome. Even the Alaska Center for the Environment supported the Task Force goals and process.

As one of the Co-chairs of the Prevention Committee, it was rewarding to see the entire Task Force embrace the work of my committee. It doesn't take a rocket scientist to understand that the easiest oil spill to clean up is the one that never occurs. Every other U.S. west coast state and British Columbia wrestled with prevention language, but only the Alaska Task Force was ultimately able to develop recommendations that will reward prevention efforts. Recommendation 27 of the Task Force report (enclosed), The Prevention Credit Program, outlines our efforts.

I will be in Juneau next the week of February 5. If you have questions about the work of the Task Force, or, more specifically, of the Prevention Committee, please let me know. I would be happy to discuss the Task Force's findings with you.

Very best wishes for a successful legislative session.

Sincerely,

Eric Britten
Manager, Business Planning & Development

Contact information:
Direct Line: 907.263.5611; Fax: 907.263.5620
E-mail: EBritten@csxlines.com

Drue - This is a sample of a letter am sending to all the legislators. Thank you for the amssome leadership on the Task Force - Eric

Prevention recommendations

SA=Broad Statutory Authority

Recommendation	Reg	Stat	Comment
24. <u>Periodic review.</u> The Task Force recommends that the Department of Environmental Conservation periodically review all recommendations with the regulated community.	Y	N	Based on the review, additional statutory changes may be possible in the future.
25. <u>Mandatory prevention measures.</u> All affected nontank vessels must comply with applicable federal and international requirements.	Y	N	General statutory authority contained in draft legislation, Section 2, ¶(m).
26. <u>Reduction in the response planning standard.</u> The Task Force does not recommend reduction of the response planning standard in any nontank vessel prevention credit program.	N	N	
27. <u>Prevention credit program.</u> The Task Force recommends a prevention credit program that awards vessels credit for measures taken to prevent oil spills. The Task Force recommends the program be based on a list of recommended prevention measures by vessel type as stated in the prevention credit table. A vessel would become eligible for the prevention credit by achieving 50% of the points available to the vessel category. A vessel eligible for the prevention credit would receive an extended contingency plan review cycle (5 years instead of 3 years), with a corresponding reduction in the frequency of spill drills, and would receive a "Blue Star" vessel award for measures Above and Beyond Compliance with state requirements.	Y	N	

Prevention Measures - Weight and Applicability

	Relative Weight	Fishing Vessels		Fish Processors & Tenders		General Cargo		Cruise Ships		Container Ships	
		Appli-cable?	Weight	Appli-cable?	Weight	Appli-cable?	Weight	Appli-cable?	Weight	Appli-cable?	Weight
1 Emergency towline or dedicated mooring line with on-board means for deployment	2	Yes	2	Yes	2	Yes	2	Yes	2	Yes	2
2 Emergency on-board dewatering or petroleum pumps	2	Yes	2	Yes	2	Yes	2	Yes	2	Yes	2
3 On-board storage bladder or dedicated tank	2	Yes	2	Yes	2	Yes	2	Yes	2	Yes	2
4 Non-contiguous tank location on vessel	3	No	0	No	0	Yes	3	Yes	3	Yes	3
5 Redundant propulsion systems	3	Yes	3	Yes	3	Yes	3	Yes	3	Yes	3
6 Redundant/integrated navigation systems	1	Yes	1	Yes	1	Yes	1	Yes	1	Yes	1
7 Use of an Alaska marine pilot when not otherwise required by law	2	No	0	No	0	Yes	2	Yes	2	Yes	2
8 Maintaining a transponder, AIDS or other vessel location/ident. technology onboard	2	Yes	2	No	0	Yes	2	Yes	2	Yes	2
9 Use of advanced anchoring systems or placement of mooring buoys	1	No	0	Yes	1	Yes	1	Yes	1	Yes	1
10 Comply with bridge safety management practices; meet ISMC requirements before 7/02; licensing, certification, training beyond fed/intl. requirements	1	No	0	No	0	Yes	1	Yes	1	Yes	1
11 Participation in risk assessment process for operations	2	Yes	2	Yes	2	Yes	2	Yes	2	Yes	2
12 Membership in a marine safety organization	1	Yes	1	Yes	1	Yes	1	Yes	1	Yes	1
13 Tugboats staged/on standby	2	No	0	No	0	No	0	Yes	2	Yes	2
14 Additional staged equipment onshore to improve RPS	1	Yes	1	Yes	1	Yes	1	Yes	1	Yes	1
15 Weather/oceanographic equipment and systems	1	No	0	No	0	Yes	1	Yes	1	Yes	1
16 Enhanced maintenance	1	Yes	1	Yes	1	Yes	1	Yes	1	Yes	1
17 Ice classification	2	No	0	No	0	Yes	2	Yes	2	Yes	2
18 Specialized onboard training programs in prevention and response	2	Yes	2	Yes	2	Yes	2	Yes	2	Yes	2
19 Mooring plan	1	No	0	Yes	1	Yes	1	Yes	1	Yes	1
20 Others as proposed by operators	1	Yes	1	Yes	1	Yes	1	Yes	1	Yes	1
Total possible score for category	33		20		20		31		33		33



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**NORTH WEST
CRUISESHIP
ASSOCIATION**

January 15th, 2001

Senator John Torgerson
Chair, Resource Committee
Alaska State Legislature
State Capital - Room 427
Juneau, Alaska 99801-1182

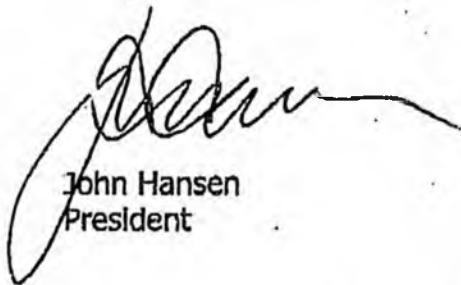
Dear Senator Torgerson:

On behalf of the member lines of the North West CruiseShip Association, I am pleased to state our support for Senate Bill No. 16.

This is important legislation for Alaska. We appreciate the opportunity to have participated on the Task Force on Motorized Oil Transport. This was an important part of the process in developing recommendations for the legislation and regulations.

We look forward to continuing to work with ADEC as the specific regulations are developed pursuant to SB 16.

Sincerely,



John Hansen
President

NWCA Member Lines:

Carnival Cruise Lines • Celebrity Cruises • Crystal Cruises • Holland America Line-Westours • Norwegian Cruise Line
Princess Cruises • Radisson Seven Seas Cruises • Royal Caribbean International • World Explorer Cruises

POSITION PAPER / Alaska Railroad Corporation

January 17, 2001

Thank you for the opportunity to provide the following comments on SB 16.

As the Committee is aware, the Alaska Railroad Corporation (ARRC) participated in the Task Force on Motorized Oil Transport established under SB 273 enacted last session by the Alaska Legislature. We have stated many times on the record that ARRC endorses its inclusion under spill contingency planning and response requirements, and we have already begun the process that will bring us into compliance with whatever legislation is ultimately adopted. We believe this Senate Bill 16 is good public policy, will improve safety and environmental protection as it relates to oil transport, and represents a collaborative effort between the state and industry affected by this bill.

While we support SB 16 and are on course to comply with its requirements prior to its established deadlines, we wish to bring two items to the Committee's attention as potential difficulties with SB 16 as proposed.

Section 7(j) (page 5, lines 14-20) prohibits ARRC from transporting oil by tank car unless it has a c-plan approved by ADEC within 180 days after the effective date of regulations that will be adopted pursuant to this legislation.

The federal Hazardous Materials Transportation Act by its express language preempts inconsistent state or local regulation of hazardous materials transportation. There are a number of "inconsistency rulings" by the federal Department of Transportation that involve emergency response requirements imposed by local governments. These rulings routinely hold that "inadequacy of emergency response capabilities cannot provide basis for prohibiting transportation." See 54 Federal Register 26710-26721 (June 23, 1989). In fact, federal law prohibits a common carrier from refusing to accept a cargo tendered for transportation if the material is lawful and not embargoed. These authorities lead us to believe that this part of the bill may be invalid and unenforceable as a result of federal preemption.

Secondly, Section 8 of the bill (page 6, lines 1-7) provides ADEC with a right to enter and examine all railroad facilities to ensure compliance with this statute. We do not have a issue against agency oversight, especially since it is conditioned on the entry being at "reasonable times and in a safe manner". However, we believe this might raise questions as to when a particular entry is safe, since some of the examined facilities could be an operating rail yard or rail equipment. The Federal Railroad Administration (FRA) has exercised its authority over safety in and around rail operations under several statutes. The FRA may have concerns similar to those of the Coast Guard when comparable provisions relating to oil tankers and marine facilities were enacted after the Exxon Valdez Oil Spill. We understand that a memorandum of understanding between ADEC and the Coast Guard ultimately resulted that recognized the primary jurisdiction of the Coast Guard. Such an agreement between ADEC and FRA might well be necessary here. ARRC's concern is to ensure that anyone entering railroad property do so safely in the context of rail operations. ARRC would also like assurance that inspections be done by a qualified inspector as it relates to rail operations.

Again, thank you for the opportunity to make these comments.

SB 16 1-17-01

Larry Dietrich - Director of Division of spill response

- safety net for oil spills by tankers + RR
- SB 273 + SCR 1 established task force
- task force held eleven meetings

Brian Rogers - Information Insights, Inc. - Task Force facilitator

- ① J.T. - pt 5 (j) - does this include railroad cars that are not being used? railroad cars on skids
- ② J.T. - sec 8 - why does DEC being given authority to examine railroad tracks?
- ③ G.L. - was there a lot of public comment? Did Task force ~~not~~ adopt public recommendations? Not most of them. According to public members, task force took most of public's recommendations.
- ④ 46.04 700. pre turn of the century statute
- ⑤ ~~Elton: Innocent passage? Travelling through state waters without fishing or calling on an Alaskan port.~~
- ⑥ Elton: Innocent passage? Travelling through state waters without fishing or calling on an Alaskan port.

- AK RR general council Phyllis
 - oil + oil products are considered Haz Mat
 - TAPS is regulated by state + under state regs.

- Paul Fuchs - enforcement is voluntary. If company lies on their response plan, they can't get their c-plan and can't operate.

SB

19

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SB 19
 (S) Publish Date: 1/9/01

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title: CSED Sunset and Update BRU: Child Support Enforceme
 Component: Child Support Enforceme
 Sponsor: Rules Committee
 Requester: Governor Component Number: 111

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
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 (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

There would be no fiscal impact from this legislation. However, failure to adopt this legislation would move the state out of compliance with federal law for child support enforcement programs and would expose the state to the penalty of losing almost \$80 million a year in federal funding for Alaska's child support enforcement program and Alaska's Temporary Assistance Program (ATAP).

Prepared by: Barbara Miklos, Director Phone 269-6800
 Division: Child Support Enforcement Division Date/Time Dec. 8, 2000
 Approved by: Larry Persily, Deputy Commissioner Date Dec. 8, 2000
 Agency: Department of Revenue

For distribution information, call the Governor's Legislative Office

SB19



TONY KNOWLES
GOVERNOR
governor@gov.state.ak.us

STATE OF ALASKA
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JUNEAU

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January 8, 2001

The Honorable Rick Halford
President of the Senate
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear President Halford:

Alaska's Child Support Enforcement Division collected and distributed a record \$85 million in Fiscal Year 2000 and is headed toward a new record this year. This bill I transmit today guarantees the state can retain the tools that enabled this success in helping thousands of children receive the financial support they need. It also keeps Alaska in compliance with federal welfare reform laws and eligible for nearly \$80 million in annual federal funding to operate Alaska's family assistance and child support programs.

This bill continues the state program begun in 1997 and 1998 as part of Alaska's compliance with federal welfare reform which has reduced dependence on government-funded public assistance programs by increasing child support collections. The Alaska legislature chose to sunset those compliance measures on July 1, 2001

This bill is important to the lives of the children and parents who make up the nearly 48,000 child support cases in Alaska. It will keep in place those successful provisions of the 1997 and 1998 legislation which have improved child support collections, including:

- Enhanced due process protections in paternity proceedings.
- Requirements that all employers report newly hired employees to the child support agency.
- Authorization to use financial institution data matches to locate assets of delinquent parents.
- Immunity from civil liability for employers and financial institutions that comply with child support income-withholding orders.

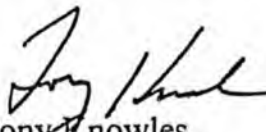
The Honorable Rick Halford
January 8, 2001
Page 2

- Prohibitions against disclosing identifying information of a parent or child when there is evidence of domestic violence.
- Requirements for Social Security numbers on certain vital statistics and court records, and on applications for some state licenses. To protect an individual's privacy, the numbers are not required on the actual licenses but only on the applications.
- Authorization for the child support agency to obtain orders requiring delinquent parents to seek work and orders to set aside a parent's fraudulent transfer of property if it was done to avoid a child support obligation.
- Improved access to records of other government agencies and financial institutions to locate delinquent parents and their assets.

I also want to point out that this bill repeals one controversial part of the earlier legislation. Alaska recently received a waiver from the federal requirement to collect Social Security numbers on applications for sport fishing and hunting licenses, allowing us to remove that requirement from law.

In the years since passage of the 1997 and 1998 legislation, the state has found the provisions of those bills effective at ensuring children receive the support they need from both parents. Failure to adopt this bill would jeopardize several years of progress in helping Alaska's families.

Sincerely,


Tony Knowles
Governor

22-GS1002C
Lauterbach
1/23/01

CS FOR SENATE BILL NO. 19(RES)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE SENATE RESOURCES COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act repealing the termination date of changes made by ch. 87, SLA 1997, and ch.
2 132, SLA 1998, regarding child support enforcement and related programs; repealing
3 the nonseverability provision of ch. 132, SLA 1998; repealing uncodified laws relating to
4 ch. 87, SLA 1997, and ch. 132, SLA 1998; and providing for an effective date."

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

6 * Section 1. The uncodified law of the State of Alaska is amended by adding a new section
7 to read:

8 FINDINGS; PURPOSE; INTENT. (a) The legislature finds that

9 (1) many Alaska children are dependent on regular and adequate child support
10 payments in order to meet basic needs;

11 (2) the child support enforcement program in this state helps Alaska children
12 receive the support that has been ordered to meet those children's needs;

13 (3) in 1997 and 1998, legislation was enacted that improved and strengthened
14 the child support enforcement program and provided additional protections for parents and

1 children who are subject to child support orders, but the legislation included provisions that
2 will result in the repeal of those amendments on July 1, 2001;

3 (4) the changes to the child support enforcement program implemented
4 through the 1997 and 1998 Acts have now been tested in practice in this state and have been
5 found successful in ensuring that more children receive the support required to meet basic
6 needs; following the enactment of the 1997 and 1998 Acts, child support collections increased
7 and reached \$85,000,000 in fiscal year 2000, the largest annual child support collection in the
8 state's history;

9 (5) in addition to increasing child support collections, the changes made by the
10 1997 and 1998 Acts are needed to assure compliance with federal requirements designed to
11 encourage accurate determination of child support obligations and timely payment of those
12 obligations;

13 (6) the federal government provides millions of dollars to assist the state in
14 financing effective child support enforcement programs; compliance with federal
15 requirements is a condition of receiving this federal financial participation;

16 (7) if the repeal provisions of the 1997 and 1998 Acts are not removed before
17 July 1, 2001, the state will be placed out of compliance with federal requirements for
18 continued federal financial participation in the state's child support enforcement program and
19 for a federal public assistance block grant to this state; according to federal law, if the repeal
20 provisions take effect the state will lose

21 (A) all federal child support enforcement funding, which amounted to
22 over \$14,000,000 in federal fiscal year 2000; and

23 (B) the annual federal temporary assistance for needy families program
24 block grant administered under the state's Alaska temporary assistance program
25 (ATAP), which amounted to over \$65,000,000 in federal fiscal year 2000; and

26 (8) the 1998 Act included a nonseverability provision requiring that if any one
27 of the majority of the provisions of that Act were to be ruled unconstitutional as to any person
28 or circumstance, the majority of the provisions of the Act would be considered invalid; if the
29 nonseverability provision is triggered, all federal financial participation for the state's child
30 support enforcement and ATAP programs would be lost, even if the unconstitutional
31 provision were a relatively minor one.

1 (b) The primary purpose of this Act is to ensure that the current law and court rules of
2 this state relating to child support enforcement and related programs continue in effect so that
3 significant improvements to the child support enforcement program will remain in effect and
4 that the mandates for receiving federal financial participation in the state's child support
5 enforcement and ATAP programs are met, thus assuring that children in this state can timely
6 receive needed child support from their parents and needy children can receive necessary
7 temporary assistance.

8 (c) The intent of this Act is that

9 (1) statutory changes made by ch. 87, SLA 1997, and ch. 132, SLA 1998,
10 regarding child support enforcement and related programs that would have been repealed
11 under sec. 148(c), ch. 87, SLA 1997, and secs. 53 and 54(b), ch. 132, SLA 1998, on July 1,
12 2001, instead remain in effect on and after July 1, 2001, unless and until amended by other
13 laws, along with any changes made to those statutory provisions by the revisor of statutes
14 under authority of AS 01.05.031(b);

15 (2) any other amendments relating to child support enforcement and related
16 programs that affect the statutory provisions described in (1) of this subsection and that were
17 enacted in 1997, 1998, 1999, 2000, or 2001, other than by ch. 87, SLA 1997, or ch. 132, SLA
18 1998, continue in effect on and after July 1, 2001, unless and until amended by other laws,
19 along with any changes made to those statutory provisions by the revisor of statutes under
20 authority of AS 01.05.031(b);

21 (3) amendments to court rules made by ch. 87, SLA 1997, continue in effect
22 on and after July 1, 2001, unless and until amended by other laws or court orders, and that the
23 further amendments to those courts rules provided for in sec. 148(c), ch. 87, SLA 1997, and
24 sec. 53, ch. 132, SLA 1998, not occur; and

25 (4) any other amendments to the court rules described in (3) of this subsection
26 that relate to child support enforcement and related programs and that were enacted or
27 adopted in 1997, 1998, 1999, 2000, or 2001, other than by ch. 87, SLA 1997, or ch. 132,
28 SLA 1998, continue in effect on and after July 1, 2001, unless and until amended by other
29 laws or court orders.

30 * Sec. 2. The following are repealed:

31 (1) Section 148(c), ch. 87, SLA 1997, as amended by sec. 53, ch. 132, SLA

- 1 1998;
- 2 (2) Sections 2, 14, and 16, ch. 37, SLA 1998;
- 3 (3) Section 53, ch. 132, SLA 1998;
- 4 (4) Section 54(b), ch. 132, SLA 1998, as amended by sec. 101, ch. 21, SLA
- 5 2000;
- 6 (5) Section 54(c), ch. 132, SLA 1998;
- 7 (6) Section 56, ch. 132, SLA 1998;
- 8 (7) Section 92, ch. 58, SLA 1999; and
- 9 (8) Section 103, ch. 21, SLA 2000.
- 10 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).



DEPARTMENT OF HEALTH & HUMAN SERVICES

Administration for
Children and Families

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

Barbara Miklos, Director
Child Support Enforcement Division
550 West 7th, 4th Floor
Anchorage, AK 99501-3556

Dear Ms. Miklos:

This is in response to your request for clarification of:

- The consequences if a State fails to enact laws or otherwise conform to the requirements of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), Public Law 104-193, and
 - Nationwide information on state compliance with PRWORA.
1. In order for a State to receive Federal funding for the operation of its child support enforcement program, it must have an approved State IV-D plan which meets the requirements of section 454 of the Social Security Act (the Act). One of those requirements, specified at section 454(20)(A), is that the State must have in effect all of the laws required by section 466.

PRWORA made numerous changes to sections 454 and 466 of the Act. When a State fails to comply with all statutory requisites, its plan is subject to disapproval by the Office of Child Support Enforcement (OCSE). In accordance with sections 452(a)(3) and 455(a)(1)(A) of the Act, there would then be no authority to expend Federal funds under Title IV-D of the Act for the operation of the State's child support enforcement program.

Therefore, 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. Alaska received approximately \$12.4 million in Title IV-D funding for the administration of its child support program in FY 1997, and over \$3.2 million in Title IV-D performance related child support incentives.

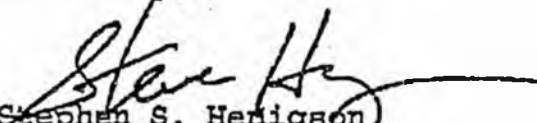
Page 2 - Barbara Miklos

In addition, in order to be eligible for a block grant for Temporary Assistance to Needy Families (TANF), section 402(a)(2) of the Act requires a State to certify that it will operate a child support enforcement program under the State plan approved under part D. Therefore, TANF funding would also be jeopardized if the State failed to enact the required child support legislation on a timely basis. Alaska's Federal funding for IV-A for FY 1997 was approximately \$63 million.

2. Data on state compliance with PRWORA changes frequently. We are therefore unable to provide you with an accurate and up to date listing of which states have fully complied with its provisions. Most states have either passed legislation that has been found complete, or is under review. Alaska is in the category of states which did not pass enabling legislation in 1997, but which have expressed an intent to do so and are working with its Regional Office to develop such legislation. Only one state, Idaho, has failed to enact enabling legislation and has stated it is unwilling to do so. Attached is a "notice of intent" to disapprove Idaho's state plan, with the resulting loss of Federal funding. If proposed legislation is not enacted in Alaska, our office would begin the process of issuing a similar notice of intent to disapprove.

Please contact Michael Furtado at (206) 615-2552, ext. 3045 if you have any further questions.

Sincerely,


Stephen S. Hennigson
Regional Administrator

Attachment: Idaho Notice of Intent to Disapprove



DEPARTMENT OF HEALTH & HUMAN SERVICES

Administration for
Children and Families

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

Barbara Miklos, Director
Child Support Enforcement Division
550 West 7th, 4th Floor
Anchorage, AK 99501-3556

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PRWORA made numerous changes to sections 454 and 466 of the Act. When a State fails to comply with all statutory requisites, its plan is subject to disapproval by the Office of Child Support Enforcement (OCSE). In accordance with sections 452(a)(3) and 455(a)(1)(A) of the Act, there would then be no authority to expend Federal funds under Title IV-D of the Act for the operation of the State's child support enforcement program.

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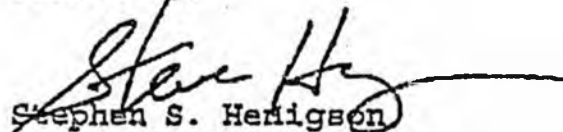
Page 2 - Barbara Miklos

In addition, in order to be eligible for a block grant for Temporary Assistance to Needy Families (TANF), section 402(a)(2) of the Act requires a State to certify that it will operate a child support enforcement program under the State plan approved under part D. Therefore, TANF funding would also be jeopardized if the State failed to enact the required child support legislation on a timely basis. Alaska's Federal funding for IV-A for FY 1997 was approximately \$63 million.

2. Data on state compliance with PRWORA changes frequently. We are therefore unable to provide you with an accurate and up to date listing of which states have fully complied with its provisions. Most states have either passed legislation that has been found complete, or is under review. Alaska is in the category of states which did not pass enabling legislation in 1997, but which have expressed an intent to do so and are working with its Regional Office to develop such legislation. Only one state, Idaho, has failed to enact enabling legislation and has stated it is unwilling to do so. Attached is a "notice of intent" to disapprove Idaho's state plan, with the resulting loss of Federal funding. If proposed legislation is not enacted in Alaska, our office would begin the process of issuing a similar notice of intent to disapprove.

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Sincerely,


Stephen S. Herigson
Regional Administrator

Attachment: Idaho Notice of Intent to Disapprove

CSED WELFARE REFORM LEGISLATION "SUNSET" SUMMARY

Repealer 2001

NARRATIVE	STATE LAWS	FEDERAL LAWS	AMENDING SECTIONS
<p>Availability of Records/Access to Information * must be able to obtain access, without order from another tribunal, to: - gov't records, including vital statistics, state tax, property, occ. licensing, business entity, employment security, public assistance, DMV, corrections - customer records of public utilities & cable television per subpoena - financial institution information * to subpoena any financial information, and impose penalties for failure to respond * employer information upon request</p>	<p>AS 06.05.537 AS 08.01.089 AS 09.25.100 AS 16.05.815 AS 18.50.310 AS 18.50.320 AS 22.35.020 AS 23.20.110 AS 25.24.920 AS 25.27.020(e) AS 25.27.085 AS 25.27.086 AS 25.27.250(e) AS 25.27.300 AS 28.05.061 AS 29.45.103 AS 33.30.216 AS 39.25.080 AS 40.17.010 AS 43.23.055 AS 47.05.020 AS 47.05.030</p>	<p>42 U.S.C. § 666(c)(1) PRWORA § 325</p>	<p>1997 Act: Secs. 2, 7, 10, 11, 19, 26, 33, 34, 47, 77, 83-85, 140 – 146 1998 Act: Secs. 10, 11, 26, 48</p>
<p>Central Registry * requires the state to have a central case registry and an automated system for extracting and exchanging information with federal case registry, federal parent locator service, ATAP programs, and agencies of other states</p>	<p>AS 25.24.920 AS 25.27.020(a)(13)</p>	<p>42 U.S.C. § 654A(e) & (f) PRWORA § 311</p>	<p>1997 Act: Secs. 47, 76</p>
<p>Credit Bureau Reporting * must have procedures requiring CSED to report periodically to credit bureaus the names of non-custodial parents who owe arrears</p>	<p>AS 25.27.273</p>	<p>42 U.S.C. § 666(a)(7) PRWORA § 367</p>	<p>1997 Act: Sec. 133</p>

Definitions * duty of support; earnings; support order; business day; employer; tribunal; arrearage	AS 25.27.900	42 U.S.C. § 653(p) and throughout PRWORA § 366 and throughout	1997 Act: Secs. 136 – 139 1998 Act: Secs. 49 – 50
Financial Institution Data Match * must be able to enter into agreements with financial institutions to do automated data exchanges and to attach assets located through that data match	AS 25.27.020(a)(2)(D) AS 25.27.250 AS 09.65.250	42 U.S.C. § 666(a)(17) PRWORA § 372	1997 Act: Secs. 13, 74
Fraudulent Transfers * must have the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act, or a law specifying indicia of fraud creating prima facie case re transfer of property to avoid payment of support AND procedures by which state can seek to avoid transfer or obtain settlement in best interests of the child support creditor	AS 25.27.279 AS 09.25.060 AS 34.40 15 AAC 125.415	42 U.S.C. § 666(g) PRWORA § 364	1997 Act: Sec. 135
High Volume Automated Enforcement * have automated procedures to take actions upon request from another state	AS 25.27.022 AS 25.27.900	42 U.S.C. § 666(a)(14) PRWORA § 323 (with technical amendment)	1998 Act: Sec. 21, 22, 50
Immunity from Liability * financial institutions are not liable for disclosure of info to agency * employers are not liable for disclosure of info to agency or for good faith compliance with a withholding order	AS 09.65.250 AS 25.25.504 AS 25.25.250(h)	42 U.S.C. § 669A 42 U.S.C. § 666(b)(6)(A) 42 U.S.C. § 666(a)(17) PRWORA §§ 314, 353, 372	1997 Act: Secs. 13, 62
Income Withholding * revises existing withholding laws to incorporate various fed requirements, including 7 day employer deadline and no prior notice to obligor. Also, cleans up statutes relating to when and how CSED initiates income withholding when no immediate income withholding in order and when CSED may issue an order to withhold and deliver	AS 25.27.022(d) AS 25.27.062 AS 25.27.150 AS 25.27.250	42 U.S.C. § 666(b) 42 U.S.C. § 666(c)(1)(F) & (G) PRWORA § 314, 325	1997 Act: Secs. 80 – 82, 90 – 93, 128 – 130, 148(a) 1998 Act: Secs. 22, 23, 47

<p>License Suspension * "Best efforts" language added for occupational and drivers' licenses * recreational licenses</p>	AS 25.27.244 AS 25.27.246 AS 09.50.020 AS 11.51.120 AS 12.55.139	42 U.S.C. 666(a)(16) PRWORA § 369	1997 Act: Secs. 106 – 127 1998 Act: Secs. 3 – 5 and 34 – 46
<p>Liens * liens must arise by operation of law against non-custodial parent in arrears AND must give full faith & credit for liens arising in other states as long as other states meet Alaska's requirements</p>	AS 25.27.230 AS 25.27.240	42 U.S.C. § 666(a)(4) PRWORA § 368	1997 Act: Secs. 104, 105 1998 Act: Sec. 31 – 33
<p>Medical Support Orders * eliminates the requirement that the employer do business in Alaska before CSED sends a copy of medical support order to employer * requires the agency to send notice of medical support to new employer when obligor changes jobs</p>	AS 25.27.063(b) AS 25.27.020(a)(9) AS 25.27.060 AS 21.36.095 Civil Rule 90.3(d)	42 U.S.C. § 666(a)(19) PRWORA § 382	1998 Act: Sec. 24
<p>Miscellaneous * statute of limitations * interest rates * application for services * payments to the agency * audit of collections * certification of arrears * notice of public assistance * order establishment * service of papers</p>	AS 09.10.040 AS 25.27.020(a)(6) AS 25.27.025 AS 25.27.100(a) AS 25.27.103 AS 25.27.105 AS 25.27.120(c) AS 25.27.160(b) AS 25.27.265	42 U.S.C. § 666(a)(2) 42 U.S.C. § 654A 42 U.S.C. § 654(4), (5) 42 U.S.C. § 666(c)(1) 42 U.S.C. § 654B(a)(1) PRWORA § 301 PRWORA § 311, 312 PRWORA § 325	1997 Act: Secs. 74 – 76, 78, 86 – 89, 94, 131 – 132 1998 Act: Secs. 2, 27
<p>Modification * notice every 3 years of request for review; 3-year cycle for review upon request of parent or state agency, either per guidelines or based on COL or automated methods, without a material change in circumstances</p>	AS 25.24.170(b) AS 25.27.190 AS 25.27.193	42 U.S.C. § 666(a)(10) PRWORA § 351	1997 Act: Secs. 44, 101 – 103
<p>New Hire Reporting * must require employers to report hiring, rehiring, of each</p>	AS 25.27.075	42 U.S.C. § 653A PRWORA § 313	1998 Act: Sec. 25

employee			
Non-Cooperation * good faith determinations when custodial parent fails to cooperate with CSED	AS 47.27.040(b)	42 U.S.C. § 654(29) PRWORA § 333	1997 Act: Sec. 147
Non-disclosure of Information * nondisclosure of information when there is a finding of domestic violence	AS 25.27.275	42 U.S.C. § 654(26) PRWORA § 303	1997 Act: Sec. 134
Paternity * state must have laws governing paternity establishment and voluntary acknowledgment of paternity which comply with detailed federal requirements. Please see summary for specifics.	AS 18.50.160 AS 18.50.165 AS 25.20.050 AS 25.20.055 AS 25.27.040(a) AS 25.27.165 AS 25.27.166 AS 25.27.167	42 U.S.C. § 666(a)(5) 42 U.S.C. § 666(c)(1) 42 U.S.C. § 652(a)(7) PRWORA § 325, 331	1997 Act: Secs. 20 – 22, 36 – 42, 79, 95 – 100 1998 Act: Secs. 12, 28 – 30
Seek Work Orders * agency must be able to obtain order requiring obligor to seek work	AS 25.27.020(d)	42 U.S.C. § 666(a)(15) PRWORA § 365	1997 Act: Sec. 77
Social Security Numbers * must require SSN's on license applications (professional, driver's, occupational, recreational, marriage), case files re divorce, support or paternity, death certificates	AS 06.20.020 AS 06.40.050 AS 08.01.060 AS 08.01.100 AS 08.08.137 AS 09.55.050 AS 14.20.027 AS 16.05.330 AS 16.05.346 AS 16.06.360 AS 16.05.450 AS 16.05.480 AS 18.50.230 AS 18.60.395 AS 18.65.410 AS 18.72.030 AS 21.06.255 AS 25.05.091	42 U.S.C. § 666(a)(13) PRWORA § 317	1997 Act: Secs. 3 – 6, 8, 9, 12, 14 – 18, 23 – 25, 27 – 32, 35, 41, 43, 45, 46 1998 Act: Secs. 6 – 9, 12, 14 – 17, 51 – 52

	AS 18.50.165 AS 18.50.280 AS 25.20.050(n) AS 25.24.160 AS 25.24.210 AS 25.24.230 AS 28.15.061		
Subpoenas * must be able to subpoena any financial or other information without approval of separate body, impose penalties for noncompliance, and enforce other states' subpoenas	AS 25.27.085 AS 25.27.086	42 U.S.C. § 666(a)(2) 42 U.S.C. § 666(c)(1) PRWORA § 325	1997 Act: Secs. 83 – 85 1998 Act: Sec. 26
Tax Dependents * court may not unconditionally grant noncustodial parent right to claim child as tax dependent unless parent meets federal requirements and does not owe more than four times the monthly support obligation at end of tax year.	AS 25.24.152 AS 25.24.232	None	1998 Act: Secs. 13, 18
UIFSA * state must adopt verbatim the revised version of UIFSA	AS 25.25.101 – 25.25.903	42 U.S.C. § 666(f) PRWORA § 321	1997 Act: Secs. 48 – 73 1998 Act: Secs. 19 – 20

STATE OF ALASKA

DEPARTMENT OF REVENUE CHILD SUPPORT ENFORCEMENT DIVISION

TONY KNOWLES, GOVERNOR

Please Reply To:

CSED, MS

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800-478-3300 Toll Free in Alaska
907-269-6650 CSC FAX
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JAN 22 2001

January 16, 2001

The Honorable John Torgerson
Alaska State Legislature
State Capitol
Room 427
Juneau, AK 99801-1182

Dear Senator Torgerson:

I am requesting that the Senate Resources Committee hear SB19. This bill repeals the termination date of changes made by ch. 87, SLA 1997 and ch. 132, SLA 1998 regarding child support enforcement and related programs.

The 1997 and 1998 child support legislation ensured Alaska's compliance with federal welfare reform requirements. The provisions of these Acts have been effective at increasing the amount of child support collected for Alaska's children. Moreover, federal funding for the state's child support enforcement program and the federal public assistance block grant depend on compliance with the federal requirements. The 1998 Act included repealed these provisions as of July 1, 2001. It also included a nonseverability provision, which requires that if any of the provisions of that Act is found to be unconstitutional, the remaining provisions of the Act also will be considered invalid. SB19 repeals these sunset and nonseverability provisions, thus assuring that the law and court rule changes made by the 1997 and 1998 Acts will be retained.

This bill includes several provisions that have improved child support collections, including:

- Enhanced due process protections in paternity proceedings.
- Requirements that all employers report newly hired employees to the child support agency.
- Authorization to use financial institution data matches to locate assets of delinquent parents.
- Immunity from civil liability for employers and financial institutions that comply with child support income-withholding orders.
- Prohibitions against disclosing identifying information of a parent or child where there is evidence of domestic violence.
- Requirements for Social Security numbers on certain vital statistics and court records, and on applications for some state licenses. To protect an individual's privacy, the numbers are not required on the actual licenses but only on the applications.

The Honorable John Torgerson
January 16, 2001
Page 2 of 2

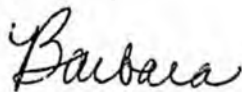
- Authorization for the child support agency to obtain orders requiring delinquent parents to seek work and orders to set aside a parent's fraudulent transfer of property if it was done to avoid a child support obligation.
- Improved access to records of other government agencies and financial institutions to locate delinquent parents and their assets.

SB19 also repeals one controversial piece of the earlier legislation. We have removed the requirement to collect Social Security numbers on applications for sport fishing and hunting licenses. We requested and received a waiver from the federal government for that requirement.

CSED has implemented and tested the changes brought about by the 1997 and 1998 Acts. The agency has found these new programs and enforcement tools to be effective in ensuring that more children receive the support to which they are entitled. Due in great part to these changes, the agency's collections have increased. In fiscal year 2000, CSED collected over \$85 million, the largest annual collection in the agency's history.

We look forward to working with you on this legislation. Please let me know what information I can provide to assist the committee.

Sincerely,



Barbara Miklos
Director

cc: Larry Persily, Deputy Commissioner, Department of Revenue
Shari Kochman, Deputy Legislative Director, Office of the Governor

CHILD SUPPORT ENFORCEMENT "SUNSET" SUMMARY

Legislation passed in 1997 and 1998 contained sunset provisions that will take effect in 2001. These laws support programs and activities at CSED that have resulted in a significant increase in child support payments, and improved services to families in Alaska. If the sunset is allowed to occur, these improvements will be diminished, and by being out of compliance with welfare reform laws Alaska will be in jeopardy of losing \$80,000,000 in federal public assistance and child support funding.

Below is an outline of key parts of the 1997 and 1998 legislation, as well as a description of how the sunset provisions would affect CSED's work. Each of these segments is a requirement of federal compliance.

Availability of Records/Access to Information

The subject statutes allow CSED to obtain certain types of information electronically and through administrative action. If these provisions are repealed, CSED may be required to contact sources of information separately for each case, and take the difficult and time-consuming avenue of obtaining a court order to request basic information. The time lost would severely hamper our child support enforcement efforts.

'Best Efforts' Language

Adopted in 1998, this language allows a non-custodial parent who is found by a court to be making the 'best efforts possible under the circumstances to have no child support arrearages' to avoid the loss or suspension of a driver's or other license. The act adds commercial crewmember fishing licenses to existing license statute, and removes subpoena noncompliance as a reason for general license suspension. Instead, the act allows license suspension for subpoena noncompliance only in the context of a civil contempt action.

Central Registry

The law requires courts to automatically forward child support orders to CSED, and authorizes CSED to exchange this and other critical information within strict confidentiality guidelines. These procedures allow CSED to serve clients with improved timeliness and accuracy, efficiencies that will be diminished if the statutes are repealed.

Credit Bureau Reporting

Current state law requires child support debt to be reflected on a delinquent parent's credit bureau report until it has been paid. The sunset would have the effect that unpaid child support arrears could not be reported after 10 years.

Definitions: Duty of support, earnings, tribunal, arrearages

The 1997 and 1998 acts redefined a number of key terms used in child support enforcement, and this nationwide uniformity is essential to cooperative enforcement efforts between the states.

Due Process

The 1997 and 1998 acts strengthened due process protections by requiring additional notices to parents of their rights and responsibilities in paternity and child support proceedings and by providing additional opportunities for parents and other persons to request and obtain administrative and judicial review of agency actions and decisions.

Financial Institution Data Match and Immunity from Liability

Current statutes allow us to match the names of parents who owe arrears with the names on accounts at financial institutions. This makes it much more difficult for delinquent parents to hide their assets, simplifies the search for funds in multi-state institutions, and allows the institutions to cooperate without fear of retaliatory lawsuits. Few banks would participate in the FIDM if this protection were repealed. Searching for hidden assets would require sweeps of all banks for each and every case. For many children our ability to collect support would be seriously compromised.

Income Withholding

In direct response to federal requirements from PRWORA, the 1997 and 1998 acts have simplified the way a non-custodial pays child support through withholding, and shortened to 7 days the time between the request for withholding and the commencement of withholding by the employer. Within 2 days of receipt of withheld funds, CSED forwards the payment to the family. In out-of-state cases, we can request income withholding directly (without going through the other state's child support agency), often saving several months' delay. If these laws are allowed to sunset, it will be harder for CSED to collect monthly payments and arrearages; these collections may take months to implement, rather than immediately; and it will be easier for delinquent parents to avoid payment of their child support obligations by moving to another job before income withholding can be established.

Liens

The subject legislation simplified the statute so that CSED or a parent may assert a lien when the obligor owes an arrearage under a support order being enforced by the agency. Also, Alaska cooperates with other jurisdictions by giving full faith and credit to liens arising by operation of law in other states, *if the person seeking to enforce the lien complies with this state's procedural requirements for recording and serving liens*. The simplified statutes, and the reciprocity with regard to liens, allow us to collect lawfully established support payments and arrearages that might otherwise be unreachable.

Miscellaneous

The subject statutes provide procedures and definitions relating to the following subjects, and bring Alaska into conformance with language in PRWORA.

- exchange information
- application for services
- payments to the agency
- audit of collections
- notice of public assistance
- order establishment
- service of papers
- regulations
- fees for services
- state registry information

Modification

The subject statutes require that parties be given periodic notice of their right to seek review of child support orders. They allow review of orders every three years and clarify CSED's authority to modify administrative orders where out of state court orders also exist. If allowed to sunset, all parties' rights to due process will be weakened because state agencies will no longer be required to have written regulations setting out procedures and standards governing the modification process.

New Hire Reporting

Under the current law, all employers in the state are required to report to CSED new hires and rehires. This information helps CSED locate parents, and establish and enforce child support orders. New Hire reporting is currently responsible for about 12% of total child support collections. If the acts sunset, we will revert to a previous statute that only required employers to report new hires if notified by CSED, and which created a number of classes of exempt employers. Reversion to the old statute will *increase* to \$1000 the civil penalties that can be levied against employers for not reporting

Non-Cooperation

Current and previous laws require ATAP recipients to cooperate with child support proceedings. The 1997 act clarified who would make the determination of non-cooperation (CSED) and who would decide if the party had good cause for non-cooperation (DHHS). This clarification promotes cooperation in matters of paternity and child support, and protects parties who may have reasons for not cooperating, such as threats of domestic violence. These protections would be jeopardized by the sunset.

Nondisclosure of Information

The 1997 statute allows CSED to refuse to disclose the address or other identifying information of a parent or child if the health, safety, or liberty of that person would be unreasonably put at risk by such disclosure. Under the sunset, Alaska law will revert to a requirement to make such information available regardless of the risk if the obligor is current on child support obligations and has a previous visitation or joint custody agreement.

Paternity

The 1997 and 1998 acts include detailed requirements for the form, use, and legal effect of voluntary acknowledgments of paternity, and for proceedings to establish paternity. Acknowledgement forms must include a statement setting out the legal consequences, rights, responsibilities and alternatives to signing the form and listing the restrictions to rescinding the acknowledgment. The acts also addressed a variety of substantive and procedural requirements for the establishment of paternity, including genetic testing, consideration of the best interests of the child, recovery of costs of testing, and allowing a putative father to request genetic testing. Reversion to previous law will diminish due process provisions and safety considerations, and will complicate the paternity determination process.

Seek Work Orders

In cases where support is owed a child who is receiving public assistance, the 1997 statute allows CSED to order an obligor to seek work, or to ask a court to order an obligor to seek work, unless the obligor enters into and complies with an approved payment plan. Without this statute, CSED would have to request a seek work order from the court in the context of a civil contempt proceeding.

Social Security Numbers

The 1997 and 1998 acts required applicants for state licenses, including professional, business, occupational, driver's, recreational and marriage licenses, to include their social security numbers. These numbers help CSED locate parents and collect child support, and reduce the number of cases of mistaken identity. (Requirements for social security numbers on hunting and fishing licenses have been waived and will be allowed to sunset even if the sunset repealer is passed.)

Subpoenas

The current statutes establish procedures that give CSED the authority to subpoena financial or other information needed to establish, modify, or enforce a child support order. They require that subpoenas be served in person, or by registered, certified or insured mail. They allow a claim of good cause excusing compliance, provide a direct avenue of appeal of penalty decisions to the Superior court, and specify that CSED will enforce a subpoena from another state in the same manner. Repeal will restrict CSED's ability to obtain critical information, limiting the establishment, modification and enforcement of child support orders; and will diminish parties' due process rights with regard to administrative subpoenas.

UIFSA

The 1998 act revised the previous UIFSA statute to be clearer and more consistent. Without the changes, interstate cooperation in child support cases would be very difficult.

Financial Institution Data Match & New Hire Reporting

Darrell Watson
Operations Manager

Financial Institution Data Match

- Multi-State
 - Run by Federal Gov't
 - All institutions that are in multiple states
 - 4500 matches to date; 1/4 interstate, 3/4 domestic cases
- In-State
 - Joined alliance of 15 states to reduce costs
 - NJ program cost \$1.5m, Alliance cost \$9.5m
 - 19 institutions identified, 13 signed agreements

Financial Institution Data Match Cont.

- Initiations have been sent to 52 states
- Direct withholding orders sent = 3
- Notifications sent to 347 states where there is a 2 state case
- One Credit Union has matched, 8 non-custodial parent accounts identified generating 6 wids

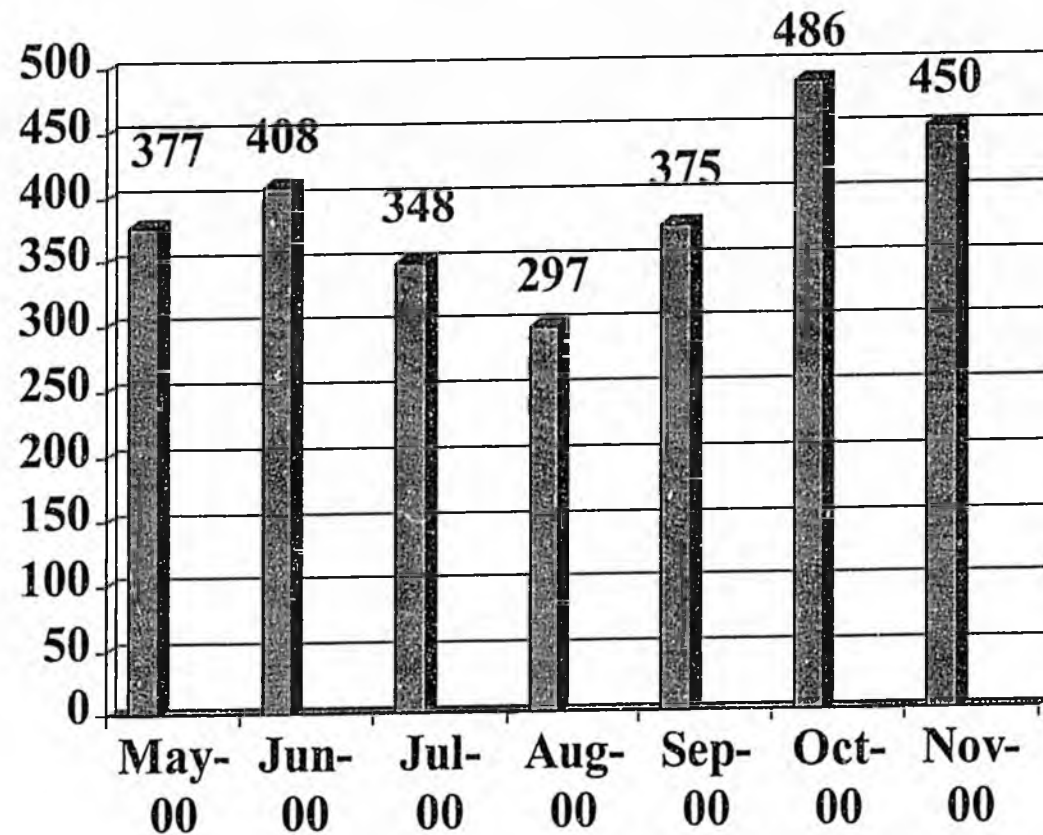
New Hire Reporting Overview

- The Alaska New Hire Reporting program has been in existence since the early 90s requiring employers with 20 or more employees to report to CSED.
- Prior to 1998 a monthly average of 207 employers reported to CSED.
- In 1998 AS 25.27.075 was changed to require all employers to report every new or rehired employee to CSED within 20 days.
- Since 1998 a monthly average of 1143 employers are reporting to CSED.

Employer Hotline

- CSED has focused on working with employers through direct telephone contact and brochures to increase reporting awareness.
- There have been 2762 hotline calls taken since May 2000.
- All calls from employers are returned within 24 hours.

Hotline calls from Employers



01/04/01

Collections Attributed to New Hire Reporting

- From May 2000 through August 2000, 4,590 employees who have child support cases were reported to CSED.
- During that four months, CSED collected \$3 million from new hire reporting - about 12% of all CSED collections during that period.

CSED Performance Indicators

	FY99	FY00
% of Child Support cases in which orders have been established	78%	78%
% of paternities established (measured by number of out-of-wedlock births/number of paternities established in the state)	94%	92%
% of current support collected	48%	49%
% of cases with arrearages in which there were collections	64%	65%

CHILD SUPPORT ENFORCEMENT DIVISION OVERVIEW

The Alaska Child Support Enforcement Division establishes and enforces child support orders. We provide these services when an individual requests it, when the custodial parent receives financial help from public assistance or when the child is in the custody of the State. We enforce our administrative orders and those from the Alaska courts. We also enforce orders from other states and countries. When there isn't a child support order in a case, we can establish paternity and issue a support order for the child. We also function as an agent of the court by preparing modified court orders and providing paternity testing.

We have orders in 77% of our 48,000 cases. On the balance of about 10,000 cases, we are working to determine paternity or establish a support order. Some of this work includes trying to locate the non-custodial parent.

CSED collected about \$85.4 million during state fiscal year 2000. Of that, \$65.5 went directly to custodial parents in Alaska and other states, and \$19.9 million (23%) went to reimburse state and federal governments for public assistance grants.

Client Service Center

We assist walk-in case parties and answer phone calls. In fiscal year 2000, we assisted 11,753 people who came to our office, responded to 52,907 callers, and answered 11,520 account information requests from local financial institutions.

Complaint Resolution

The three-staff complaint resolution section answers questions and addresses concerns from case parties, the general public, and federal and state offices. We fully investigate each complaint and follow up with appropriate action. This section receives about 150 complaints each month. When we find an error in a case, we take the necessary actions to correct it. We use this information to design remedial training for caseworkers and to review agency policies and procedures when indicated.

Formal Hearings

A party who disagrees with a CSED administrative review decision can request a formal hearing in writing within 30 days of the decision. Three CSED employees are appointed to represent the interests of CSED and the State of Alaska at formal hearings. The Hearing Examiners who preside over these formal hearings are under the supervision of the Commissioner of Revenue. They are not employees of CSED. At the hearing, the parties are able to appear in person or by telephone to present testimony and ask questions. At the request of the Hearing Examiners, the CSED representatives also prepare and file additional written documents following the hearings. The parties have an opportunity to respond to post-hearing filings. The Hearing Examiners ultimately issue a child support decision which can be appealed to the Superior Court.

Establishment

We administratively establish child and medical support, using information from a variety of sources including the case parties, employers, and other state agencies to locate non-custodial parents and calculate monthly amounts for the child support order. The non-custodial parent is served with an administrative support order that establishes the monthly child and medical support amount. Parties can contest an administrative support order through the appeal process.

Paternity

Fathers must be identified and located before a child support order can be established and enforced. We establish paternity in cases where the parents are not married to each other and there is no father listed on the birth certificate; or when paternity is otherwise disputed. Paternity can be acknowledged by both parents or determined by genetic testing and established through court order or administrative procedure. A private lab under contract with the Division does the testing.

Children's Proceedings

We establish and enforce child support orders when children are placed in state custody including foster care, hospitalization, or youth correction facilities.

Review & Adjustment

We perform reviews of child support orders and modify the monthly support amount when there is a material change in the financial situation. There were 1463 such adjustments in FY 2000. A review is performed when either case party requests it or new information indicates it's warranted. We review both administrative and judicial child support orders. After looking at the parties' financial information, we may recommend either increasing or decreasing the monthly support amount. If we have established the order through our administrative process, we will then modify the child support order. If the court established the order, we send the case to the court for modification. We do not have the authority to change custody or visitation rights, and we do not recommend those changes.

Domestic Enforcement

We enforce child support and medical support orders in more than 25,000 cases where the non-custodial parent lives in Alaska. In a month, this section handles 350 orders; 3546 employer responses; 1532 postal inquiries; 400 applications; and up to 4500 telephone calls. Enforcement tools include withholding wages automatically; attaching bank accounts; intercepting IRS tax refunds, Alaska Permanent Fund dividends and other assets; and reporting delinquent parents to credit bureaus. All these methods can be used by the agency without directly involving the courts. Other routine functions include:

- processing requests from other states to enforce child support orders for non-custodial parents living in Alaska
- reducing payments because of hardships
- calculating credits to child support because of visitation or medical insurance
- reviewing appeals of our intent to report non-custodial parents to credit bureaus
- coordinating with state agencies to revoke occupational and drivers licenses

Interstate

This section is responsible for about 15,000 cases where the non-custodial parent lives outside Alaska, using the same tools as Domestic Enforcement. We are often able to do this directly, working with employers, financial institutions, credit bureaus and other agencies in the other state. At other times, we work with the Child Support Division in the other state, asking them to establish paternity, seek medical coverage, enforce child support orders or help us in other ways.

In a month, this section handles about 75 initiations to other states, 160 order establishments and obligation adjustments, 1300 telephone calls and 3140 pieces of mail.

Investigations/Locate/New Hire Reporting

Investigations

CSED investigates criminal and civil cases where non-custodial parents and employers don't comply with state law. Alaska law provides civil and criminal penalties for child support related offenses such as nonsupport, defrauding creditors, fraudulent transfer of assets, perjury, and aiding in the nonpayment of child support. Our investigators carry a caseload of about 120 cases and bring to resolution about 24 to 36 cases a year.

We have about 4,000 more cases that would benefit from an investigation. These families have received no child support payments for at least 12 months and the non-custodial parent owes more than \$15,000. In some of these cases we have been able to intercept the non-custodial parent's Permanent Fund Dividend or Federal Tax Refund, but a thorough investigation would allow us to enforce regular child support payments to the families.

Locate

This section searches for non-custodial parents, their assets and employers, as well as for custodial parents who have moved when we have money for them. Our staff assists law enforcement agencies when there is parental kidnapping and responds to requests from other states' child support enforcement agencies. We handle more than 10,000 locate requests per year.

New Hire Reporting

All Alaskan employers are required to report every new or returning employee to CSED within 20 days of hire. Our staff records the information as we receive it by mail, fax, magnetic tape or disk. CSED's goal is to make it easy for Alaskan employers to comply with the New Hire reporting requirements, and we hope to add the Internet as a means of reporting in the near future. This program provides about 1200 matches per month with Alaskan parents who owe child support.

Cash Control

This section is responsible for child support payments. Nine accounting staff record child support payments received by the Division and three staff balance the trust fund account from which we issue child support payment checks to families. Utilizing electronic funds transfer to process child support payments across the nation saves us time, money and effort. EFT comprises 15% of our incoming child support payments and 37% of our outgoing child support payments.

We recently purchased and implemented a Family Support Imaging system. The imaging system enables us to scan all incoming child support payments and documentation. The images are then used to receipt payments into the NSTAR computer system using image modeling and database. The modeling system compares the NSTAR database against the indexed receipts and identifies all employers and members. The next month the modeling system will identify the member, employer and dollar amount and we will be able to receipt and disburse the child support payments faster and more efficiently.

Accounting

We adjust case accounts and perform financial audits on 10,000 child support cases a year. Accounting technicians verify and determine charges, credits, payments and disbursement of funds. We perform case audits which often involve reconstructing the accounting history of a case, and then making needed corrections and adjustments. The amount owed by the non-custodial parent can be affected by a variety of factors such as the family going on or off public assistance; children being placed in state custody; alimony; medical costs and insurance; judgments; visitation credits; payments made directly to the custodial parent; custodial parent's withdrawal from our services; children's emancipation; agreements between parents; or alternative support provisions ordered by the court.

Field Offices

Field offices in Fairbanks and Juneau provide general customer service and enforce support case. Caseworkers in Wasilla and Kenai provide customer service only, although we anticipate that our Wasilla staff will begin carrying a caseload after the first of the year.

These caseworkers also go to schools to talk about child support. During the legislative session, the manager of the Juneau office tracks and testifies on pending legislation, attends legislative hearings and provides technical assistance on child support issues to legislators and other state agencies.

Outreach

As part of a new initiative to provide additional customer service, CSED visits communities around the state to share information about our services with individuals and organizations. We have an active outreach effort in Southcentral that has been to the following sites:

- Alaska Psychiatric Institute
- Eagle River
- Fairview Recreation Center
- Spenard Recreation Center
- Brother Francis Shelter
- Catholic Social Services
- Eagle River
- Elmendorf AFB
- Anchorage Juneteenth
- Fort Richardson
- Wasilla
- Department of Labor Job Ready
- Mountain View Boys and Girls Club
- Palmer

In addition, we have been to the following rural communities:

- Angoon
 - Bethel
 - Kodiak
 - Kotzebue
 - Valdez
 - Craig
 - Ketchikan
 - Klawock
 - Petersberg
 - Sitka
- Barrow
 - Dillingham
 - Nome
 - Seward
 - Saxman
 - Yakatat
 - Hydaberg
 - Wrangell
 - Haines

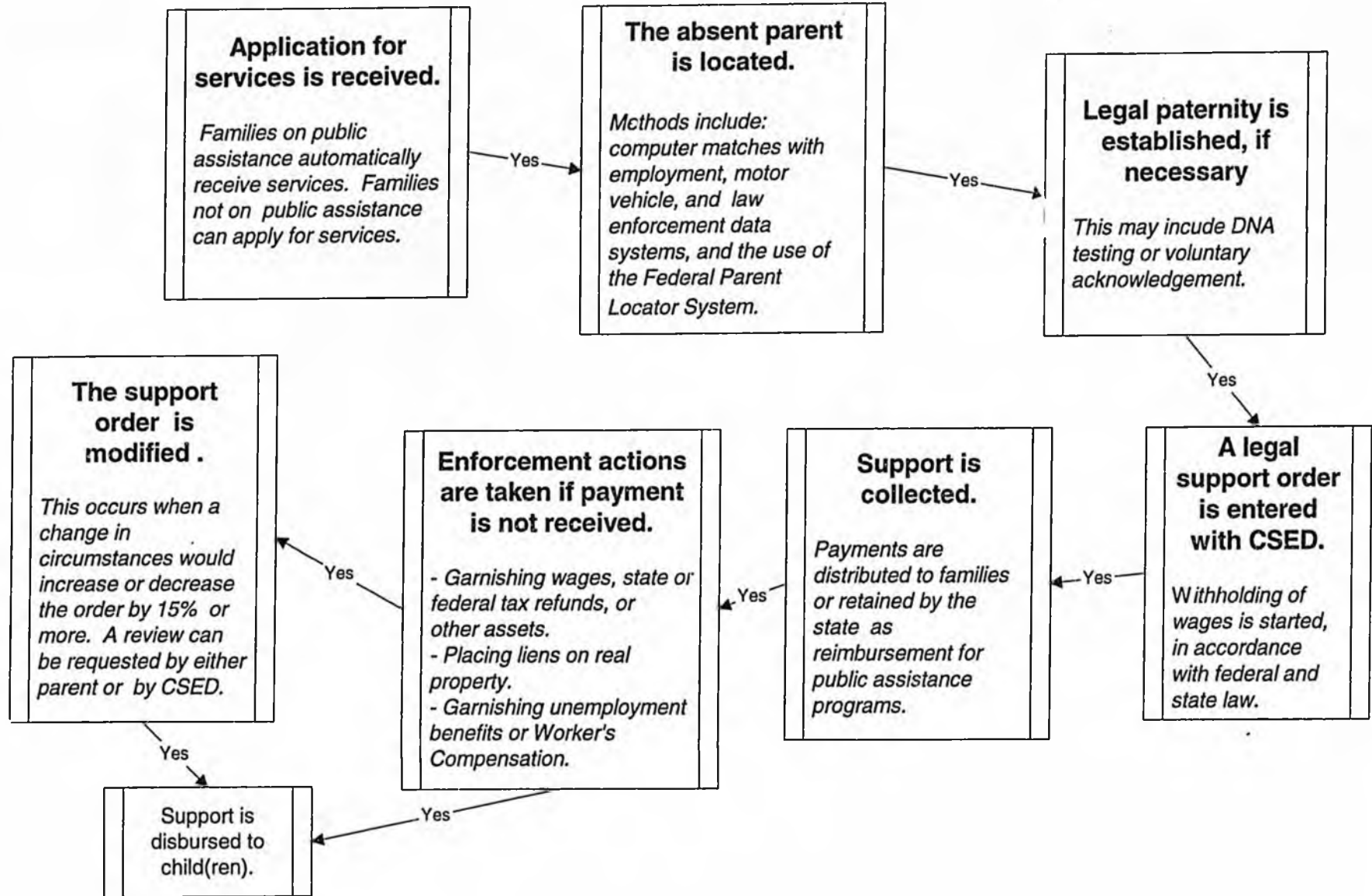
Number of CSED Cases

Cases	CSED Cases			
	SFY 97	SFY 98	SFY 99	SFY 00
All parties in Alaska	26,618	25,663	26,317	27,010
Custodial Parent and Child(ren) in Alaska; Non-Custodial Parent not in Alaska	14,855	15,737	15,817	15,303
Custodial Parent and Child(ren) not in Alaska; Non-Custodial Parent in Alaska	5,720	5,821	5,794	5,555
Total	46,743	47,221	47,928	47,868

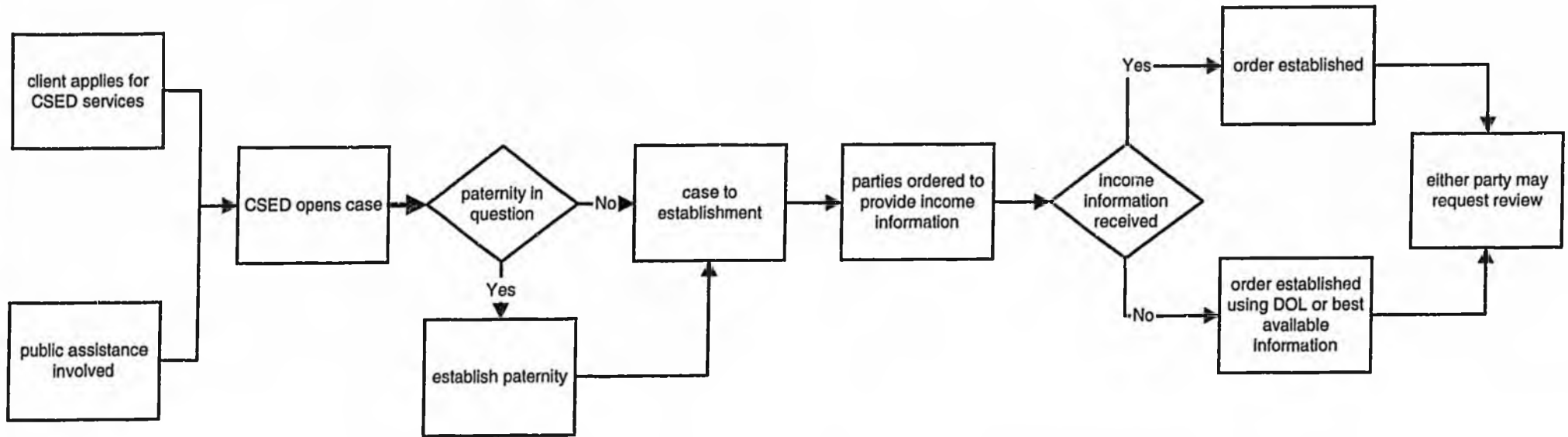
Number of CSED Open Cases

Case Type	Beginning of FY 00	End of FY00	Average for FY00
Public Assistance (includes all Foster Care Federal and Non-Federal)	10,957	9,154	10,056
Non-Public Assistance	39,971	38,714	37,843
Total	47,928	47,868	47,899

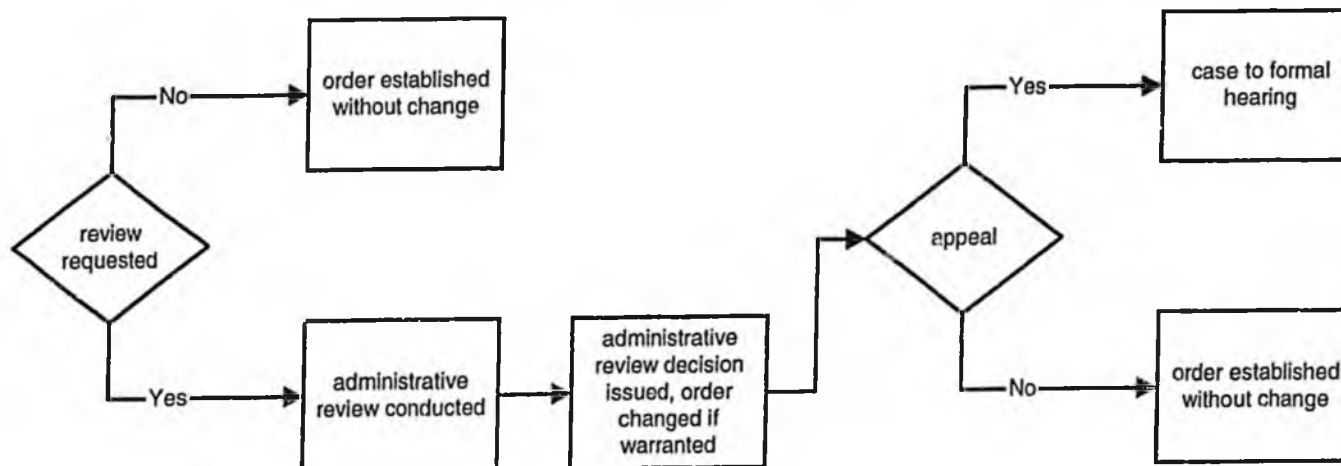
How Child Support is Collected by CSED



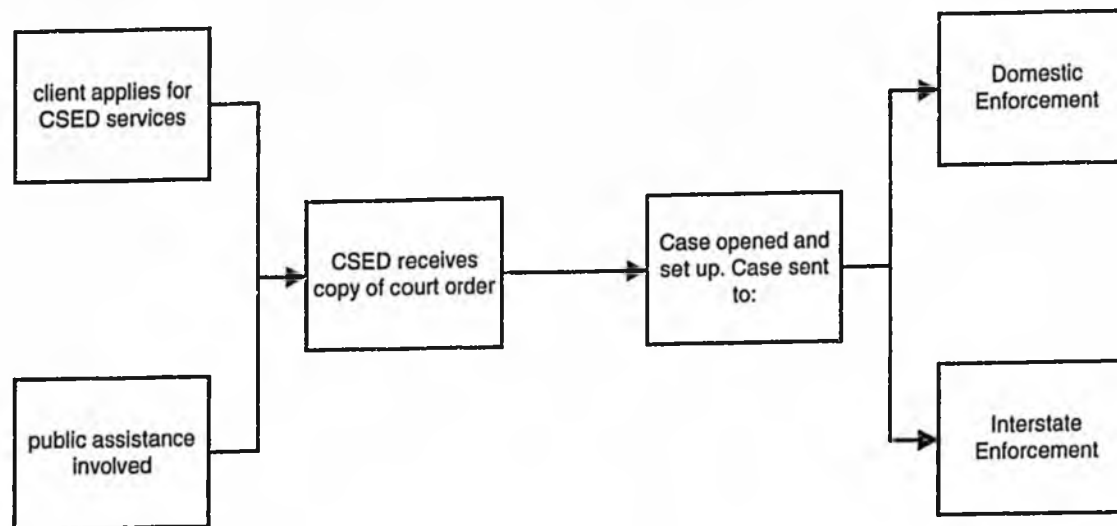
Establishing administrative orders



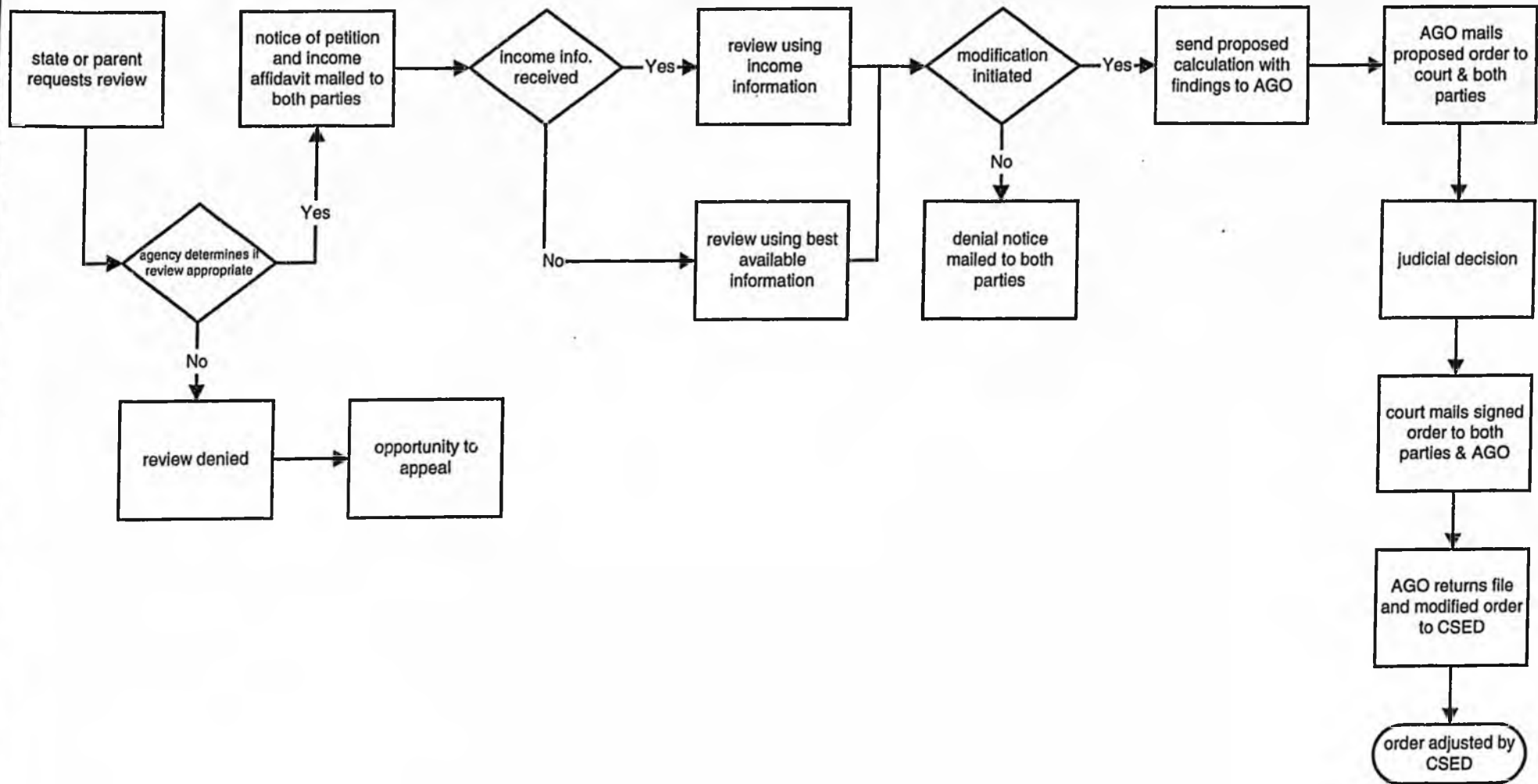
Appeal process



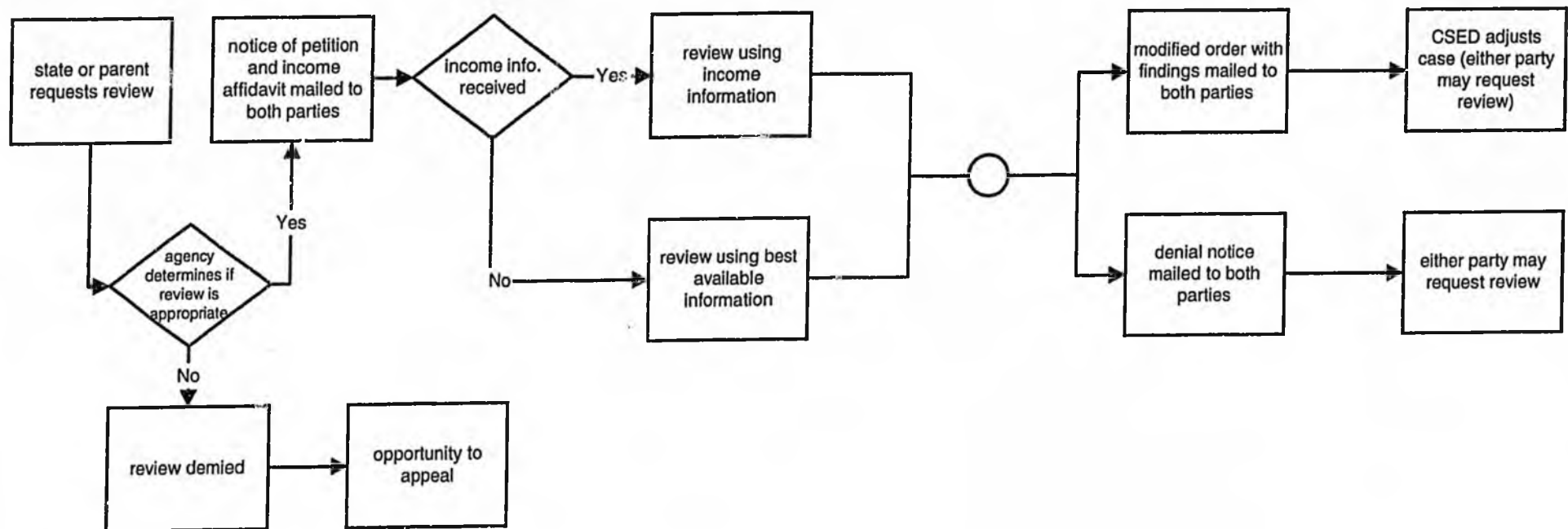
Opening cases with court orders



CSED review for modification of court orders



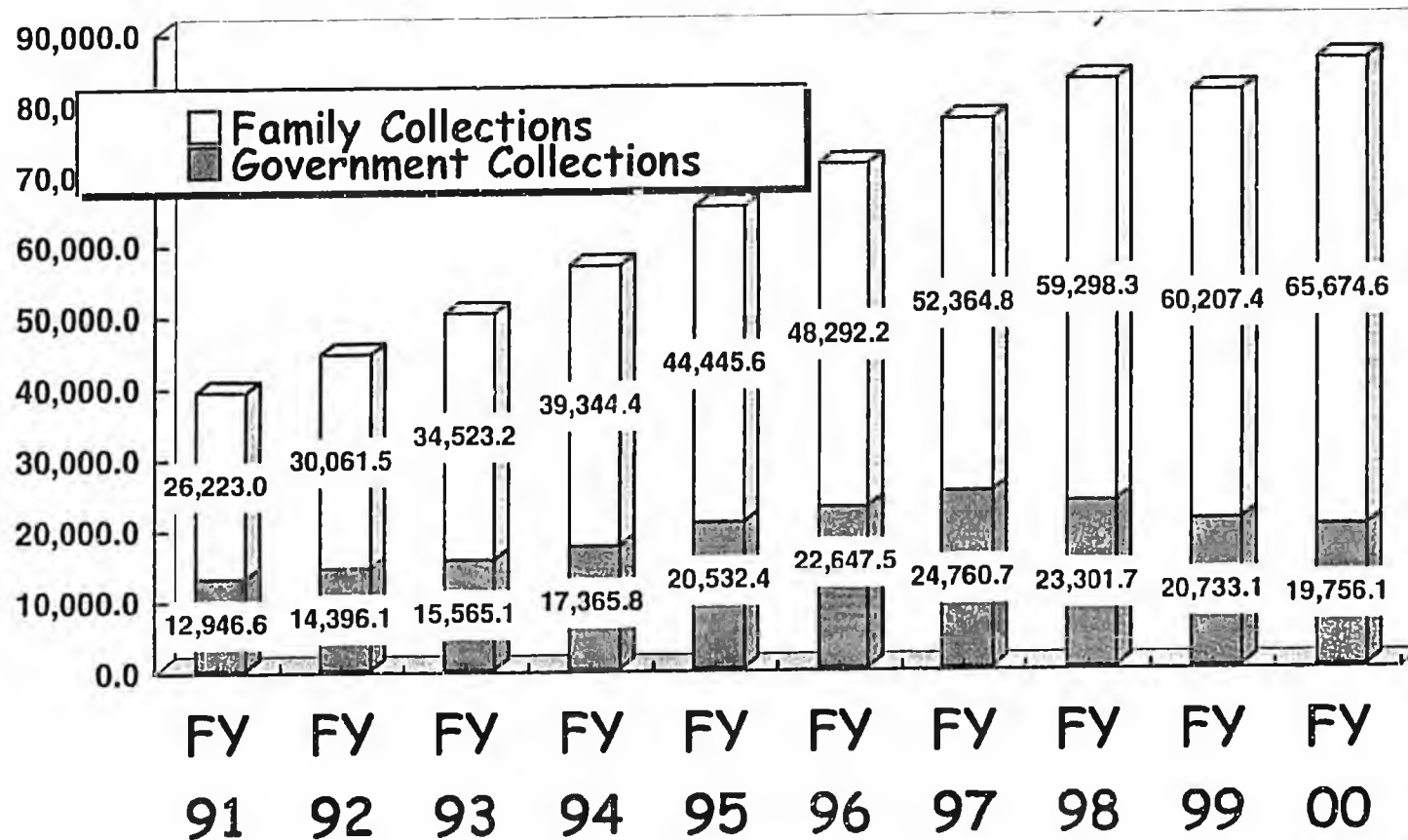
CSED review for modification of administrative order



Family and Government Collections -- SFY 1990 to 2000

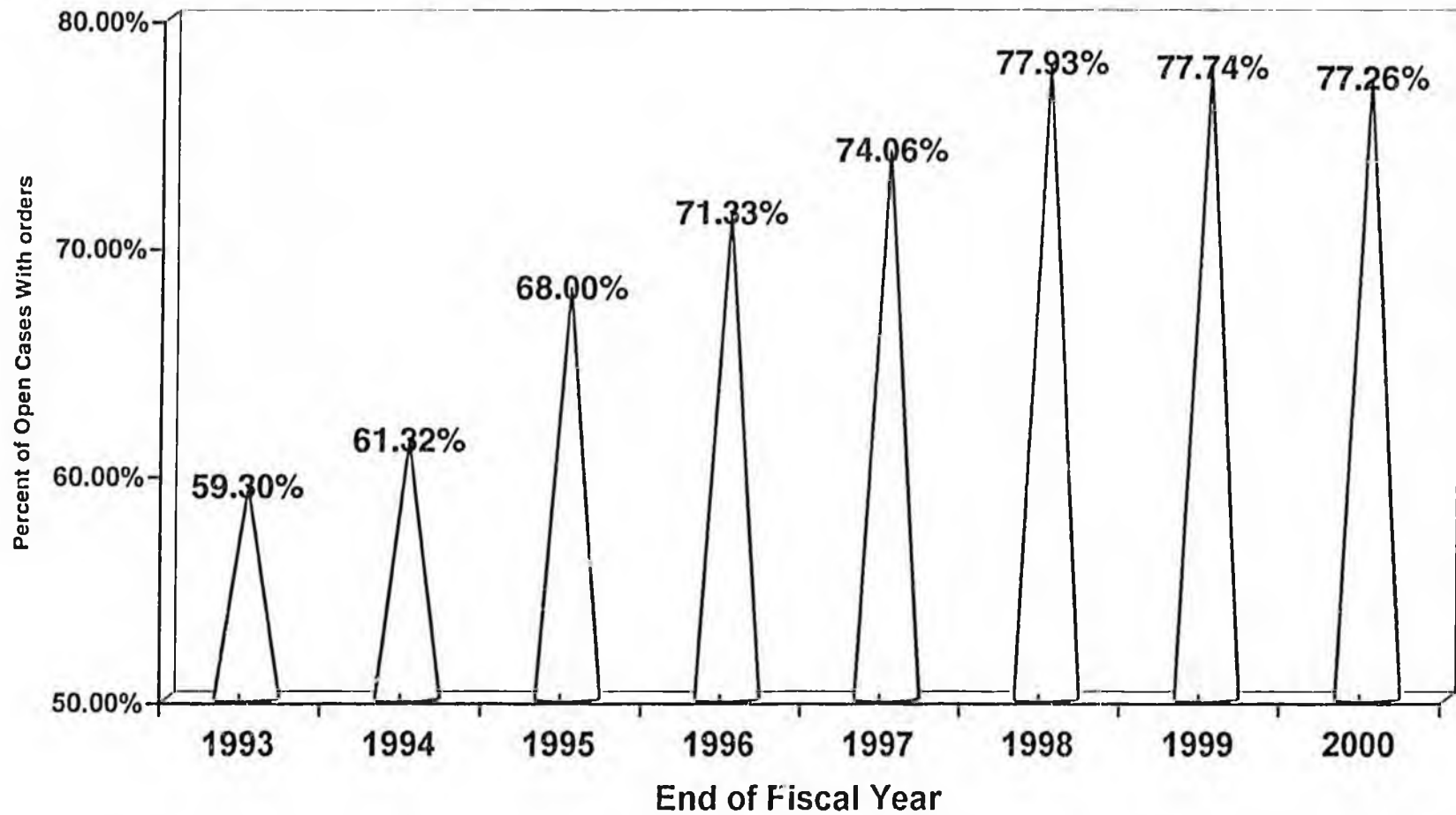
(000's)

Source of data -- Federal Quarterly Report OCSE 34(A) and other accounting records



Child Support Enforcement Division Cases With Orders, as a Percent of Total Cases SFY 93 thru 00

Source of data: Pre-FY 98 Monthly Mgt Rpt RTFC4900-10A6; FY 98 to Present NSTAR Rpt RCSB0430



SB

24

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 24
(S) Publish Date: 1/10/01

Revision Date/Time (Note if correction): _____ Dept. Affected: Environmental Conservatio
Title: Seafood/Food Safety Lab Facility Construction BRU: Environmental Health
Sponsor: Rules Committee Component: Laboratory Services
Requester: Governor Component Number: 2065

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual				97.8	178.1	184.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	97.8	178.1	184.0

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				97.8	178.1	184.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	97.8	178.1	184.0

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The current Food Safety Laboratory has operated in a leased facility in Palmer for over 30 years. The facility is now inadequate for current lab operations. In addition the lease will soon expire with no opportunity for long term renewal. The bill would authorize financing and construction of a new Seafood and Food Safety Laboratory to be operated by the Department of Environmental Conservation (DEC).

The Department of Administration (DOA) pays the current lease costs for the lab. DEC reimburses DOA for a portion of these costs through an RSA. DEC will directly pay for all of the utilities and maintenance costs for the new building. These new costs are shown in the contractual line. Annual lease savings partially offset these new utility and maintenance costs as shown on the attached chart.

We expect to begin occupying the building in January 2005, therefore the costs shown for 2005 are for half a year.

Prepared by: Janice Adair, Director Phone (907) 269-7644
Division: Division of Environmental Health Date/Time 12/13/00 3:00PM
Approved by: Kurt Fredriksson Date 12/13/00
Agency: Department of Environmental Conservation

For distribution information, call the Governor's Legislative Office

FISCAL NOTE
STATE OF ALASKA
2001 LEGISLATIVE SESSION

Line Item Description	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Contractual Line 300					
* (Operating Expenses)					
Utilities (estimated) DEC will incur costs for utilities at the new facility starting mid - 2005. Utility costs at the existing leased facility are included in the lease paid by DOA and DEC. These costs are offset by the lease savings shown below and shown on DOA's fiscal note.			\$52,965	\$105,930	\$110,040
Building Maintenance (estimated) DEC will incur costs for building maintenance at the new facility starting mid - 2005. Maintenance costs at the existing leased facility are also included in the lease paid by DOA and DEC. These costs are offset by the lease savings shown below and shown on DOA's fiscal note.			\$54,800	\$92,700	\$95,160
* (Lease Savings - Palmer Lab) DEC portion of current lease paid to DOA/GS through a RSA, will no longer be required after completion of the new facility.			(\$9,916)	(\$20,527)	(\$21,245)
Total Contractual:	\$0	\$0	\$97,849	\$178,103	\$183,955

* Adjusted annually by the probable Consumer Price Index.

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: SB 24
 (S) Publish Date: 1/10/01

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title: Bonding: Food Safety Lab Facility Construction BRU: Revenue Operations
 Component: Treasury
 Sponsor: Rules Committee
 Requester: Governor Component Number: 121

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel	10.0					
Contractual	8.0	7.0	7.0	7.0	7.0	7.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Debt Service	0.0	1,224.0	1,223.0	1,220.0	1,221.0	1,225.0
TOTAL OPERATING	18.0	1,231.0	1,230.0	1,227.0	1,228.0	1,232.0

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

FUND SOURCE	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
1002 Federal Receipts						
1003 GF Match						
1004 GF	18.0	1,231.0	1,230.0	1,227.0	1,228.0	1,232.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	18.0	1,231.0	1,230.0	1,227.0	1,228.0	1,232.0

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Part-time						
Temporary						

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

Authorizes the issuance of \$13,655,000 in Certificates of Participation for the construction of a seafood and food safety laboratory to be operated by the Department of Environmental Conservation.

Assuming an interest cost of 6.12% (approximately 0.75% above current rates), and a 20-year term, the annual debt service payment would be approximately \$1.22 million beginning in fiscal year 2003 with a total repayment of approximately \$24.4 million.

It is possible that the State Bond Committee might prefer to shorten the term on these bonds by two to five years to maintain a higher credit rating on the bonds. In this event, the required annual payments could increase by as much as \$200,000 per year but total repayment would be reduced by as much as \$3.1 million.

Prepared by: Deven Mitchell, Debt Manager Phone 465-3750
 Division: Treasury Division Date/Time: Dec. 7, 2000
 Approved by: Larry Persily, Deputy Commissioner Date: Dec. 8, 2000
 Agency: Department of Revenue

For distribution information, call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 3 CORRECTED
 Bill Version: SB 23
 (S) Publish Date: 1/11/01

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
 Title: An Act related to entry into and financing of a BRU: Leases
lease purchase for a seafood/food safety lab. Component: Leases
 Sponsor: Rules
 Requester: Governor Component Number: 61

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual	0.0	0.0	0.0	(54.9)	(113.7)	(117.7)
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	(54.9)	(113.7)	(117.7)

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	(54.9)	(113.7)	(117.7)
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	(54.9)	(113.7)	(117.7)

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*
 The bill would authorize financing and construction of a new laboratory facility that would replace the current leased location in Palmer. The Division will execute a lease purchase agreement for the lease purchase of a new seafood and food safety laboratory in Anchorage.

 Lease savings would begin mid way through (January) FY2005 when we anticipate occupying the new facility. The specific lease and current costs are shown on the attached page. Annual costs for the Palmer lease in FY2001 are budgeted in the Department of Administration's (DOA) Leases component as \$98.0 of General Funds and in the Department of Environmental Conservation's operating budget and paid to DOA via a \$17.7 RSA. Future years estimated lease savings have been adjusted to reflect the January occupancy date and probable Consumer Price Index adjustments.

 Costs for the design, construction, acquisition and construction contract compliance are not included in this fiscal note as those costs and associated work will be borne by other state departments.

Prepared by: Chris Parce, Director Phone (907)465-2250
 Division: Division of General Services Date/Time 12/13/00 1pm
 Approved by: Commissioner Jir. Duncan Date 12/13/00
 Agency: Department of Administration

For distribution information, call the Governor's Legislative Office

ORIGINAL

ANALYSIS: (continued)

Fiscal Note
State of Alaska
2001 Legislative Session

SB 24
#3

Current Palmer Laboratory Lease

Lease #	Location	Property	Sq Ft	FY2001 Cost per Year (Annual)	Annual RSA Amount	Net FY2001 DOA Budget (Annual)	*Estimated FY2005 DOA Reduction (1/2 year)	*Estimated FY2006 DOA Reduction (Annual)	*Estimated FY2007 DOA Reduction (Annual)
2359	Palmer	Palmer Lab	9,252	115,710	17,697	98,013	54,924	113,692	117,671

*Adjusted annually by the probable Consumer Price Index.

TONY KNOWLES
GOVERNOR
governor@gov.state.ak.us

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

P.O. Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500
Fax (907) 465-3532
www.gov.state.ak.us

January 10, 2001

The Honorable Rick Halford
President of the Senate
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear President Halford:

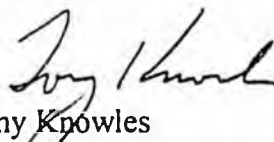
The state's food safety laboratory plays a vital role in protecting the health of Alaskans. It tests finfish, shellfish and dairy products to be certain they're safe for human consumption, certifies private drinking water laboratories, and works with commercial processors in developing food products.

The laboratory facility is now outdated and woefully inadequate. In addition, the current lease will soon expire, requiring the facility to be relocated. The Legislature has recognized the need for replacement through previous planning and design appropriations. This bill I transmit today is the next and final step in providing Alaskans with a worthwhile facility by setting up a bonding structure for its construction. The proposed method is the issuance of certificates of participation for a lease-purchase agreement.

The anticipated total construction, acquisition, and other costs of the project under the lease-purchase agreement are not to exceed \$13,655,000 and the total anticipated annual amount of the rental obligation is \$1,220,000. The total anticipated lease payments for the full term of the lease-purchase agreement amount to \$24,440,000. The state would own the facility at the end of the lease term under the operation of the Department of Environmental Conservation.

In the interest of the public health for Alaskans and consumers of our food, fish and dairy products as well as the economic health of these industries, I urge your prompt and favorable action on this measure.

Sincerely,



Tony Knowles
Governor

STATE OF ALASKA

TONY KNOWLES, GOVERNOR

DEPT. OF ENVIRONMENTAL CONSERVATION

**DIVISION OF ENVIRONMENTAL HEALTH
DIRECTOR'S OFFICE
555 CORDOVA STREET
ANCHORAGE, ALASKA 99501
<http://www.state.ak.us/dec/deh>**

**Telephone: (907) 269-7644
Fax: (907) 269-7654
e-mail: Janice_Adair@envircon.state.ak.us**

February 14, 2001

The Honorable John Torgerson
Chairman, Senate Resources Committee
Alaska State Senate
Room 427, Capitol Building
Juneau, Alaska 99801

FOR HAND DELIVERY

Subject: SB 24, Seafood and Food Safety Laboratory

Dear Senator Torgerson:

The above-referenced bill has been referred to your committee. The purpose of this letter is to request that it be scheduled for a hearing as soon as possible. Its passage this session is critical not only to the long term costs to the state but also to the food industry in Alaska.

Enclosed you'll find several pieces of information that I hope will answer all the questions you may have about this facility, why we find ourselves needing to replace it, and why we have chosen to pursue a state owned facility. I have also included information about the financing as you asked about that specifically when we met on this legislation last month.

In a nutshell:

- ◆ The lease expired in December of last year, and can only be extended on a short-term basis. AS 36.30.083 allows the Division of General Services to extend a lease under two conditions: 1) a 15% lease reduction can be achieved or 2) a 10% reduction can be achieved and the American with Disabilities Act (ADA) requirements met. In the case of our current facility, the lease rate is \$1.03/sq ft and it complies with the ADA. The owners are not interested in a 15% reduction in their lease rate. In addition, the building is up for sale.
- ◆ This means that one way or the other we have to move. With money previously appropriated by the Legislature to look at the most cost-effective way to replace the lab, we hired a private consultant to do an economic evaluation. Hands down, the most cost-effective means is a state-owned facility. In fact, leasing a laboratory rather than owning would cost the state 56% more over the 20-year term of the bond repayment.

Safe Food, Safe Water, Healthy Communities

Page 2

The Honorable John Torgerson

February 14, 2001

- ◆ The functions of the laboratory are required regulatory functions for the sale of shellfish and dairy products in national and international commerce. No other laboratory in the state performs these functions, nor could they under the federal rules.
- ◆ The laboratory also certifies private, commercial laboratories to conduct tests required under the Safe Drinking Water Act (SDWA) for public water systems. Unless a private laboratory is so certified, EPA will not accept their test results. Since Alaska is a primacy state for the drinking water program, we cannot accept them either.

This laboratory is currently in Palmer, and our plan includes relocating it to Anchorage. I realize that decision alone is fraught with political considerations, so let me explain why it was made.

- ◆ We had to have a central location that could receive shellfish samples as quickly as possible from many areas of the state since, in most cases, PSP testing is required before the product can be placed into commerce. That meant it had to have easy access to the Anchorage International Airport.
- ◆ We needed a site on a public sewer system, as many of the chemicals used at the lab cannot be placed in a septic tank.
- ◆ We also needed a site without excessive vibration, dust or electromagnetic interference as all of these things interfere with the performance of the analytical equipment.
- ◆ The lot needed to be between 4 – 6 acres in size to accommodate the building, parking, and snow storage from the parking lot.
- ◆ To keep the overall cost of a new facility as low as possible, the land should be state-owned.

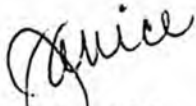
We looked at land in the Municipality of Anchorage and in the Matanuska-Susitna Borough. There was only one lot that met all of the above-criteria -- an undeveloped site on the southern side of Tudor Street. A happy side benefit of this location is that we will be close to the new Public Health Laboratory. That will allow for easier professional interaction, which will be particularly important when investigating a food borne illness.

The location in Anchorage will significantly benefit the shellfish industry and they are fully behind this project. Shellfish growers and harvesters have to arrange and pay for transportation of their product to the laboratory themselves. An Anchorage location will therefore reduce their costs slightly, but most importantly to them, speed up the delivery of these time-sensitive samples to the laboratory for testing. On the other hand, our staff picks up samples for the dairy industry and delivers them to the laboratory as part of their routine tasks, so an Anchorage location will not result in any additional costs to the dairy farmers. Also, their samples are as not time-sensitive as shellfish.

Page 3
The Honorable John Torgerson
February 14, 2001

Thank you for your consideration of this request. If you have any other questions or need additional information, don't hesitate to contact me.

Sincerely,



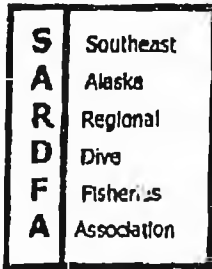
Janice Adair
Director

Enclosures:

- ◆ Letters of Support
- ◆ Laboratory Bullets
- ◆ Laboratory Brochure
- ◆ State Supported Debt by Deven Mitchell
- ◆ Prior Capital Project budget details (FY 99 and FY 01)
- ◆ Memorandum from Hart Hodges, Northern Economics dated January 29, 2001
- ◆ Sizing Debt Service Schedule dated October 1, 2000
- ◆ Project Budget dated December 6, 2000
- ◆ AS 36.30.080-085 (Leases and lease purchases)
- ◆ Area Picture Overview

Cc: Deven Mitchell (without enclosures)
Department of Revenue

Walt Harvey (without enclosures)
Department of Administration



Mission Statement: To develop, expand, and enhance new and existing dive fisheries in Southeast Alaska.

Julie Decker, Executive Director
Gig Decker, Executive Director's Assistant
Box 2138, Wrangell, AK 99929
Ph: 907-874-3110; Fax: 907-874-4270
gigjulia@aptalaska.net

State of Alaska Legislators

February 5th, 2001

RE: SARDFA's support of new Food Safety Lab in Anchorage

Dear Legislators,

I am writing to you on behalf of the Southeast Alaska Regional Dive Fisheries Association, or SARDFA. SARDFA is a non-profit, economic development corporation whose mission is to develop, expand, and enhance new and existing dive fisheries in Southeast Alaska. SARDFA was created by AS 43.76.100-210. SARDFA's Board of Directors is composed of six harvest diver representatives, one processor representative, and one municipal representative.

SARDFA would like to express its support of HB 51 and SB 24, which provide funding for the construction of a new Seafood & Food Safety Lab in Anchorage.

SARDFA uses the current lab in Palmer for water testing and Paralytic Shellfish Poisoning (PSP) testing in order to conduct the geoduck dive fishery. SARDFA hopes to increase the amount of PSP testing in the future which will allow for greater utilization of the live geoduck markets in Asia, which are worth three to five times the ex-vessel value of processed geoducks. Without a properly certified lab to conduct the PSP testing needed to ship geoducks live, the geoduck industry would be severely hamstrung.

Relocating the lab in Anchorage may, unfortunately, be a hit to Palmer residents, however, it will be better for the statewide users of the lab who will no longer need to have samples make the extra journey from Anchorage to Palmer. This can be a critical factor in getting samples to the lab in time. For example, the water samples which are taken in remote areas of Southeast Alaska must make it to the lab within 30 hours in order to perform testing. If the samples are even one hour late, they must be retaken by sending boats out to the remote areas again, which is very costly.

Again, SARDFA would like to express its support of the construction of a new Seafood & Food Safety Lab in Anchorage. I hope I personally get a chance to speak with you about this subject. Feel free to contact me if there are any questions about this issue.

Sincerely,

Julie Decker, Executive Director



January 19, 2001

Janice Adair, director
ADEC, Div. of Environmental Health
555 Cordova Street
Anchorage, AK 99501

Dear Ms. Adair:

I'm pleased to offer the support of shellfish growers for the construction of a new food safety laboratory in Anchorage. In addition to being cost effective for the state, the new lab will significantly improve service to the overwhelming majority of the customers it serves.

I have visited the lab on several occasions over the past 10 years and I am fully aware of the antiquated nature of the facility. The lapsing of the lease in the current facility may be a blessing in disguise since the facility should have been replaced years ago.

For shellfish growers, the shift to an Anchorage location makes a tremendous amount of sense, since logistics to Palmer have proven to be difficult and expensive. For example, when we send in water samples for analysis, we have 30 hours from the time they are collected until they have to be in the hands of lab technicians. While the leg from Anchorage to Palmer doesn't sound significant, courier service to Palmer is limited and expensive. I've had to have my father, who lives in Anchorage, pick up a sample at the airport and run it out to Palmer simply because my time window would have elapsed if the samples had to wait for a courier delivery.

It is my understanding that roughly 80 per cent of the lab's business involves seafood, and the Anchorage location would be considerably more convenient for most of the customers served by the lab. As a geoduck buyer, I am painfully aware of the difficult and expensive logistics of getting PSP samples to Palmer from the Anchorage airport. From my long involvement on the ASMI board, I am aware that this is a problem that many in the industry have in common.

According to information we received through briefings by DEC personnel, the shift to a facility in Anchorage also makes good fiscal sense since the building would be amortized over a 20-year period, resulting in significant savings in lease fees for the remaining life of the structure.

One of the concerns I've heard voiced about the new lab is that the services should be contracted out to the private sector, rather than investing in a new public structure. I have been active in PSP testing and water certification issues on a national level for ASGA, and have investigated the use of private laboratory services for my own farm. I

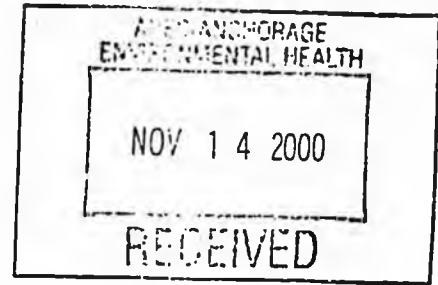
have found that there are no private labs providing PSP tests in the U.S. and the process of obtaining FDA certification for fecal coliform tests in marine waters is too difficult to attract interest from the private sector.

In summary, the aquatic farm industry strongly supports the construction of the new food safety lab in Anchorage. Please let me know if there's anything I can do to further support this important project.

Sincerely,



Rodger Painter



November 7, 2000

Ms. Janice Adair
Director, Division of Environmental Health
555 Cordova Street
Anchorage, Alaska
USA 99501

Dear Ms. Adair;

I am writing to you to express Jellett Biotek's support for the development of an enhanced Food Testing Laboratory for Alaska.

As you know, Jellett Biotek has been closely partnered with the Department of Environmental Conservation Lab in Palmer for approximately two years. During this time we have developed and validated test kits for marine biotoxins, with the intention to make shellfish safer for consumers in Alaska, as well as ensure high quality fisheries export products.

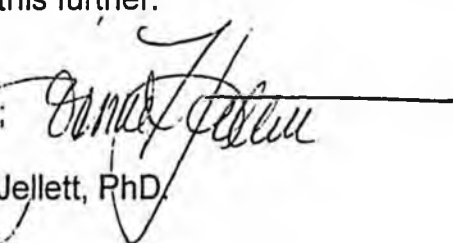
The United Nations Food and Agriculture Organization (FAO) see aquaculture as the fastest growing protein source for the world, and has projected shellfish growth at 15% annually over the next 5 years.

We believe Alaska will participate in this growth and has the right combination of elements to permit a rapid expansion in the shellfish aquaculture industry. A critical factor in the growth of the industry is to ensure the products are of the highest sanitary quality. It is essential for the State of Alaska to maintain state of the art, comprehensive testing services to ensure this quality is maintained.

It is for these reasons we support the development of enhanced testing capabilities for Alaskan shellfish resources.

Attached are excerpts from an online discussion group discussing the shellfish aquaculture potential in Alaska. Please feel free to contact me if you would like to discuss this further.

Yours truly;


Joanne F. Jellett, PhD.
President.

PACIFIC ALASKA SHELLFISH, INC
P.O. BOX 7498
NIKISKI, AK 99635

January 24, 2001

Janice Adair
Director of Environmental Health
555 Cordova St. Fifth Floor
Anchorage AK 99501

Dear Janice,

I want to reiterate the point I made last year when we discussed the future of the Lab and its movement to a new location in Anchorage. I am totally behind such a move. A move to Anchorage is, in my opinion, best for everyone involved. And will better be able to serve the industry from a more centralized location.

Let me also give you a little history concerning my involvement with the Lab. I was the first person in the industry to lobby for the Lab to be moved to Anchorage in 1981. I flew to Juneau and personally discussed it with Senator Kurtula & Mr. Malone of the Finance committee.

That effort was successful and the Lab was moved, but to its present location instead of Anchorage. We were thankful to have it in South Central, but Anchorage still seemed a better location due to logistics and its proximity to the industry.

January 24, 2001

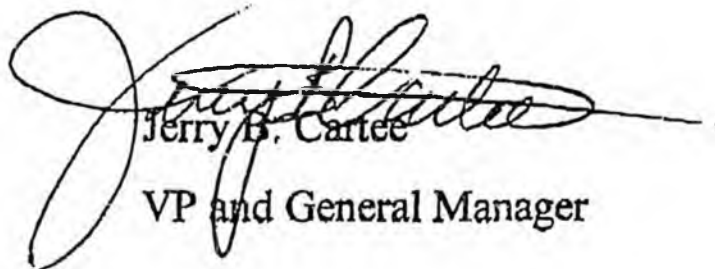
Page 2

This year will be our 21st season of using the facility for water, tissuc, PSP and all the other tests that are associated with the harvesting and processing of our razor clams for human consumption. We look forward to another 21years.

Moving the Lab to Anchorage would most definitely enhance the logistics of our operation with regard to getting samples to the Lab. I am sure all the processors in South Central would benefit and support the move. Long term it can only be considered a positive move.

Janice, please cast my vote in favor and keep me posted as to the outcome of the move. If there is anything else I can contribute please call me. Thanks for your continued stellar support of our industry. Kudos to the entire crew.

Sincerely



Jerry B. Cantee

VP and General Manager



Alaska
Seafood
International

January 15, 2001

AK Department of Environmental Conservation
Attn: Janice Adair
555 Cordova St.
Anchorage, AK 99501-2617

Dear Janice,

I am writing this letter in support of your endeavors in upgrading the state microbiology lab. I believe that the State of Alaska may better support the seafood industry by having applicable state of the art services to enhance already existing testing abilities. Moreover, the Alaska Department of Environmental Conservation (ADEC) Division of Environmental Health will be better prepared to meet the challenges of the evolving food industry needs such as a third party verifications.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Kang', written over a white background.

David B. Kang
Manager, Quality Control

MARINE ADVISORY PROGRAM

UNIVERSITY OF ALASKA FAIRBANKS

SCHOOL OF FISHERIES AND OCEAN SCIENCES

January 18, 2001

2221 E. NORTHERN LIGHTS BLVD., #110

ANCHORAGE, ALASKA 99508-4140

PHONE: 907-274-9691

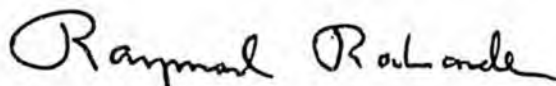
FAX: 907-277-5242

Subject: Proposal to move the Seafood and Food Safety Laboratory

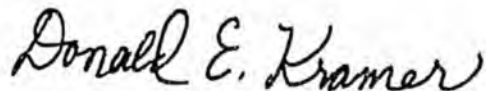
Dear Ms: Adair

The University of Alaska Marine Advisory Program (MAP) applauds the initiative of the Alaska Department of Environmental Conservation and legislative action contained in HB 51, SB 24 to move the Seafood and Food Safety Laboratory to Anchorage. Moving the laboratory to Anchorage is good news for the seafood industry. As an outreach program of the University of Alaska Fairbanks School of Fisheries and Ocean Sciences, MAP provides technical assistance, education, and applied research to the seafood and aquaculture industries. An Anchorage based Seafood and Food Safety Laboratory greatly assist shellfish farmers and seafood processors who often complain about the necessity to shuttle time sensitive seafood and water samples to Palmer. Since the amount of seafood and aquaculture products are expected to increase, an Anchorage based laboratory will best suit the testing needs of these important industries. If you need any additional support information, please contact us.

Respectfully,



Raymond RaLonde
Aquaculture Specialist



Dr. Donald Kramer
Seafood Safety Specialist

Alaska AquaFarms Inc.

P.O. Box 7
Moose Pass, Alaska 99631
(907) 288-3667

Janet Adair, Director
Department of Environmental Conservation
555 Cordova Street
5th Floor
Anchorage, Alaska 99508

Dear Ms. Adair,

I am writing this letter in encourage keeping the Department of Environmental Conservation lab open to support the Aquatic Farm industry.

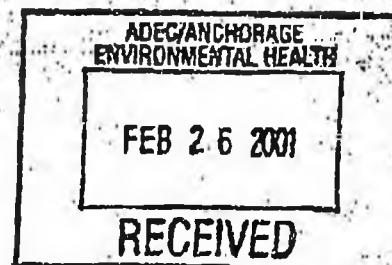
I have been a shellfish farmer since 1986 and have had nothing but good experience with working with DEC professionals and the sampling Lab.

When I sell my product, customers know that it is safe from a Paralytic Shellfish Poisoning (PSP) standpoint and also with water quality issues. This guarantee can offset the extra expenses with production and transportation and allow our farm to compete in the marketplace. The lab has always been very professional, prompt and provided excellent service with water samples and PSP tests for my farm. Without this service I could not be in business.

I strongly suggest fully funding the lab and staff. If I can provide any assistance or information please let me know.

Sincerely,


Jeff Hetrick



JUSTHEFAX JUSTHEFAX

MARCH 15, 2001

3 PAGES

TO: THE HONORABLE JOHN TORGERSON
ALASKA STATE SENATE

FROM: JERRY B. CARTEE
V.P. & GENERAL MANAGER
PACIFIC ALASKA SHELLFISH INC.
NIKISKI, AK

DEAR SENATOR TORGERSON

DUE TO THE POSITIVE IMPACT
THAT SENATE BILL 24 WILL HAVE
ON THE SHELLFISH INDUSTRY, I
HAVE BEEN FOLLOWING IT CLOSELY
SINCE INCEPTION. IN FACT, I HAVE
ALREADY RESPONDED BY LETTER
REQUESTING THAT ALL EFFORTS NEED
TO BE MADE TO PUSH IT THROUGH
THIS SESSION. THERE IS NO
QUESTION THAT THE SHELLFISH

INDUSTRY WILL BENEFIT BY HAVING THE LAB SITUATED IN ANCHORAGE WITH CLOSE PROXIMITY TO THE AIRPORT. IN FACT, THIS IS WHERE IT SHOULD HAVE BEEN FROM THE BEGINNING. CONVERSELY, THE NEGATIVE IMPACT ON ADEC, AND THE SEAFOOD LABORATORY. OF NOT BEING ABLE TO MOVE, COULD BE VERY DETRIMENTAL TO OUR INDUSTRY. FURTHER BUDGET CUTS THAT THEY WOULD INCUR TO OFFSET THE INCREASED COST OF LEASING. WILL ONLY SERVE TO REDUCE THE SERVICES THEY NOW OFFER. AS THE LARGEST RAZOR CLAM PRODUCER IN THE WORLD I FEEL QUALIFIED TO TELL YOU OUR INDUSTRY NEED THEIR FULL SERVICES, IF WE ARE TO MAINTAIN THE QUALITY OF PRODUCT THAT WE NOW TAKE SO MUCH PRIDE IN.

I SINCERELY HOPE THAT YOU
WILL TAKE EVERY EFFORT INTO
SPEEDING THIS BILL ALONG AND
NOT ALLOW IT TO GET HUNG
UP IN COMMITTEE. WE IN
THE INDUSTRY NEED YOUR HELP
NOW.

Jerry B. Carter

Seafood and Food Safety Laboratory

✿ After 30 years in the same location, the Seafood and Food Safety Lab must move.

✿ The lease expired December 2000 with two one-year extensions available. State law (AS 36.30.083) prohibits a long term extension without significant reductions in the lease payments. These reductions were given during a previous lease extension. Also, the building is for sale.

One way or another, we have to move.

What does the lab do?

- ☼ PSP and shellfish growing water analysis so **shellfish** can be sold in interstate and international commerce.
- ☼ Domoic acid analysis so **crab** can be sold in interstate and international commerce.
- ☼ Dairy product evaluation so Alaska's **dairy products** can be sold to Alaskan schools, the military, and in interstate commerce.
- ☼ Lab certification so **private labs** can run drinking water analysis for public water systems.
- ☼ Work with **commercial food industry** to develop safe ready-to-eat food products.

No one else can do what we do!
