

SENATE CS FOR CS FOR HOUSE BILL NO. 40(FIN) am S

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Amended: 5/18/99

Offered: 5/15/99

Sponsor(s): REPRESENTATIVES KOHRING, Cowdery, Austerman, Therriault, Harris, Mulder

A BILL

FOR AN ACT ENTITLED

1 "An Act merging certain departments in the executive branch of state
2 government; changing the names of certain departments in the executive branch
3 of state government; transferring duties among departments and offices in the
4 executive branch of state government; providing that certain discretionary duties
5 formerly performed by the Department of Community and Regional Affairs are
6 mandatory in the department to which those duties are transferred; relating to
7 the licensing of child care facilities; relating to the division of vocational
8 rehabilitation; relating to the Alaska Human Resource Investment Council;
9 adjusting the membership of certain multi-member bodies; providing that a
10 certain commissioner may designate department employees to serve in the
11 commissioner's place on a board, council, or similar entity; providing for advice
12 to be given by a department head to the governor and other commissioners on

1 the delivery of government services to rural areas and providing for
 2 recommendations to be made to the governor and other commissioners by that
 3 same commissioner about policy changes that would affect rural governments and
 4 rural affairs; relating to the federal community development quota program;
 5 eliminating references to the division of tourism; eliminating a reference to
 6 manpower training programs; eliminating references to the director and deputy
 7 director of international trade; eliminating the requirement for a local advisory
 8 committee for consideration of rural electrification loans; and providing for an
 9 effective date."

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

11 * Section 1. AS 09.25.110(e) is amended to read:

12 (e) Notwithstanding other provisions of this section to the contrary, the Bureau
 13 of Vital Statistics and [,] the library archives in the Department of Education and
 14 Early Development [, AND THE DIVISION OF BANKING, SECURITIES, AND
 15 CORPORATIONS IN THE DEPARTMENT OF COMMERCE AND ECONOMIC
 16 DEVELOPMENT] may continue to charge the same fees that they were [ARE]
 17 charging on September 25, 1990, for performing record searches, and may increase the
 18 fees as necessary to recover agency expenses on the same basis that was [IS] used by
 19 the agency immediately before September 25, 1990. Notwithstanding other
 20 provisions of this section to the contrary, the division of banking, securities, and
 21 corporations in the Department of Community and Economic Development may
 22 continue to charge the same fees that the former Department of Commerce and
 23 Economic Development was charging on the effective date of this bill section for
 24 performing record searches and may increase the fees as necessary to recover
 25 agency expenses on the same basis that was used by the former Department of
 26 Commerce and Economic Development immediately before the effective date of
 27 this bill section.

28 * Sec. 2. AS 09.65.170(c)(2) is amended to read:

1 (2) "regional development organization" has the meaning given in
 2 AS 44.33.895 [AS 44.47.900].

3 * **Sec. 3.** AS 11.61.195(a) is amended to read:

4 (a) A person commits the crime of misconduct involving weapons in the
 5 second degree if the person knowingly

6 (1) possesses a firearm during the commission of an offense under
 7 AS 11.71.010 - 11.71.040;

8 (2) violates AS 11.61.200(a)(1) and is within the grounds of or on a
 9 parking lot immediately adjacent to

10 (A) a public or private preschool, elementary, junior high, or
 11 secondary school without the permission of the chief administrative officer of
 12 the school or district or the designee of the chief administrative officer; or

13 (B) a center, other than a private residence, licensed under
 14 AS 14.37, AS 47.33, or AS 47.35 or recognized by the federal government for
 15 the care of children; or

16 (3) discharges a firearm at or in the direction of

17 (A) a building with reckless disregard for a risk of physical
 18 injury to a person; or

19 (B) a dwelling.

20 * **Sec. 4.** AS 11.61.220(a) is amended to read:

21 (a) A person commits the crime of misconduct involving weapons in the fifth
 22 degree if the person

23 (1) knowingly possesses a deadly weapon, other than an ordinary
 24 pocket knife or a defensive weapon, that is concealed on the person;

25 (2) knowingly possesses a loaded firearm on the person in any place
 26 where intoxicating liquor is sold for consumption on the premises;

27 (3) being an unemancipated minor under 16 years of age, possesses a
 28 firearm without the consent of a parent or guardian of the minor;

29 (4) knowingly possesses a firearm

30 (A) within the grounds of or on a parking lot immediately
 31 adjacent to a center, other than a private residence, licensed under AS 14.37,

AS 47.33, or AS 47.35 or recognized by the federal government for the care of children; or

(B) within a

(i) courtroom or office of the Alaska Court System; or

(ii) courthouse that is occupied only by the Alaska Court System and other justice-related agencies;

(C) within a domestic violence or sexual assault shelter that receives funding from the state; or

(5) possesses or transports a switchblade or a gravity knife.

* **Sec. 5.** AS 14.20.165 is amended to read:

Sec. 14.20.165. Restoration of tenure rights. A teacher who held tenure rights and who was retired due to disability under AS 14.25.130, but whose disability (1) has been removed, and the removal of that disability is certified by a competent physician following a physical or mental examination, or (2) has been compensated for by rehabilitation or other appropriate restorative education or training, and that rehabilitation or restoration to health has been certified by the division of vocational rehabilitation of the Department of Labor and Workforce Development [DEPARTMENT], shall be restored to full tenure rights in the district from which the teacher was retired, at such time as an opening for which the teacher is qualified becomes available.

* **Sec. 6.** AS 14.35.020(b) is amended to read:

(b) When required by any of the Acts described in AS 14.35.010, the board shall

(1) prepare, submit, and supervise the administration of the plans for vocational education [AND VOCATIONAL REHABILITATION];

(2) select a state director of vocational education;

(3) establish the minimum qualifications for teachers, supervisors, or directors;

(4) determine the prorated basis on which money shall be available for the salary and necessary travel expenses of the state director of vocational education;

(5) consider the advice of the Alaska Human Resource Investment

Council established by **AS 23.15.550** [AS 44.19.620] regarding employment training needs and advise that council in the development of vocational education programs.

* **Sec. 7.** AS 14 is amended by adding a new chapter to read:

Chapter 37. Licensure of Child Care Facilities.

Sec. 14.37.005. Purpose; applicability. (a) The purpose of this chapter is to establish and maintain standard levels for services offered to children in child care facilities. The legislature recognizes the responsibility of parents to select and monitor caregivers for their children in order to ensure a reasonably safe and developmentally appropriate child care environment. The child care licensing procedures in this chapter are intended to reduce predictable risk of harm to children and to provide support services to those providing child care services.

(b) This chapter and regulations adopted under this chapter apply to facilities

(1) for which licensure is required by or under AS 14.37.015; or

(2) that are exempt under AS 14.37.015 from licensure but for which a license is issued under AS 14.37.015(c).

Sec. 14.37.010. Powers of department. (a) The department may

(1) license and supervise child care facilities;

(2) investigate applicants, licensees, and persons that the department reasonably believes are operating a facility without a license or certification in violation of this chapter;

(3) adopt regulations to implement the provisions of this chapter, including regulations establishing certification and licensure procedures, standards, and fees; establishing requirements for operation of facilities licensed under this chapter; and distinguishing between types of child care facilities;

(4) enter into agreements with private entities, municipalities, or individuals to investigate and make recommendations to the department for the licensing and supervision of child care facilities under procedures and standards of operation established by the department.

(b) The department shall, within 90 days after receiving a written request that it do so, delegate its powers relating to child care facilities under this chapter to a municipality that has adopted an ordinance providing for child care licensing under

home rule powers under AS 29.10.010 or as authorized under AS 29.35.200 - 29.35.210. A municipality to which these powers have been delegated may adopt, by ordinance, additional requirements for child care facilities operating within its boundaries if the requirements meet or exceed the requirements adopted by the department.

Sec. 14.37.015. License required; exemptions. (a) A person may not operate a child care facility without a license issued under this chapter unless that facility is exempt from licensure. The following facilities are exempt:

(1) a facility in which child care is regularly provided and each child's parent is on the premises within reasonable proximity and accessibility to the child;

(2) a facility located on a United States Department of Defense or United States Coast Guard installation that is located on federal property;

(3) a recreational program that children are allowed to attend and in which the program assumes no responsibility for care of the children;

(4) a daytime therapeutic program of supervised, educational, and rehabilitative services for children with special needs or behavioral problems;

(5) a program that is primarily educational and that

(A) is certified as a pre-elementary school under department regulations adopted under AS 14.07.020;

(B) serves children three years of age or older and is exempt from the department pre-elementary school regulations; or

(C) is operated as a headstart preschool that is required to meet the standards established under 42 U.S.C. 9836a;

(6) a temporary facility providing care for less than five continuous weeks;

(7) a facility regularly providing child care to four or fewer children unrelated to the caregiver;

(8) a facility in which the caregiver is a relative of all of the children.

(b) In addition to facilities that, under this section, are exempt from licensure, the department, by regulation, may provide for additional exemptions that the department considers appropriate.

(c) A person may apply for a license for a facility that is exempt from licensure under this section. The department may issue a license to an applicant under this subsection if the applicant meets the requirements of this chapter and regulations adopted under this chapter.

Sec. 14.37.017. Application for license. (a) Application for a license to operate a child care facility must be made to the department on a form provided by the department and must be accompanied by all applicable fees established by the department under AS 14.37.010(a)(3).

(b) An application submitted under this section must contain at least the following information:

(1) the name and address of the applicant and, if the applicant is a corporation, partnership, association, or another form of organization, the name, address, and title of each individual who has an ownership or management interest in the facility; if the applicant is an individual, the application must include the name, age, and driver's license number, if any, of each member of the individual's household;

(2) the name, physical location, and mailing address of the facility for which the license is sought;

(3) the name and address of the administrator of the facility, if any;

(4) evidence that the administrator is an adult with sufficient experience, training, or education to fulfill the duties of an administrator;

(5) a release for the administrator and for each other person who is 16 years of age or older, as specified by the department by regulation, who will have contact with individuals served by the facility authorizing the department to review all federal, state, and municipal criminal justice information, whether of this state, of a municipality of this state, or of another jurisdiction, medical records, licensing records, and protective services records, identified in regulations adopted under this chapter, that are relevant to the person who is the subject of the release;

(6) the number of individuals that will be served in the facility;

(7) the type of facility for which the license is sought;

(8) copies of all inspection reports and approvals required by state fire

1 prevention and environmental health and safety authorities for operation of the facility,
2 including any variances granted by these authorities;

3 (9) a plan of operation, as required by the department by regulation;

4 (10) a staffing plan that describes the number of people who will work
5 at the facility, staff qualifications, a description of each person's responsibilities, and
6 a supervision schedule for the children in care that meets the requirements established
7 by the department by regulation;

8 (11) evidence that the applicant has completed orientation or training
9 required by the department by regulation; and

10 (12) other information required by the department, by regulation, in
11 order to monitor compliance with this chapter and regulations adopted under this
12 chapter.

13 **Sec. 14.37.020. Provisional license; biennial license.** (a) The department
14 shall issue a provisional license to a new facility that applies under AS 14.37.017 if,
15 after inspection and investigation, the department determines that the application and
16 plan of operation for the facility meet the requirements of this chapter and regulations
17 adopted under this chapter. A provisional license is valid for a period not to exceed
18 one year. The department may extend a provisional license for one additional period
19 not to exceed one year.

20 (b) Before expiration of a provisional license issued under (a) of this section,
21 the department shall inspect and investigate the facility in order to determine whether
22 the facility is operating under the provisional license in compliance with this chapter
23 and applicable regulations.

24 (c) Before expiration of a provisional license, the department shall issue a
25 biennial license for the facility if (1) after inspection and investigation under (b) of this
26 section, the department finds that the facility is operating in compliance with and
27 meets the licensure requirements of this chapter and regulations adopted under this
28 chapter; (2) none of the grounds for revocation set out in AS 14.37.130(a)(2) exist; and
29 (3) all applicable fees have been paid. The department shall prepare a summary report
30 of its findings and recommendations for issuance of a biennial license.

31 (d) The issuance of a license by the department does not obligate the

department to support the facility financially.

Sec. 14.37.025. Denial of license; right to appeal. (a) If the department denies an application for a license or decides not to issue a biennial license, the department shall hand deliver to the prospective licensee, or mail to the prospective licensee by certified mail, return receipt requested, a notice of denial of licensure. The notice must contain a summary of the department's reasons for denial of the license and a form for requesting a hearing under (b) of this section.

(b) A prospective licensee who was denied licensure may appeal the department's decision by requesting a hearing, on the form provided by the department, within 15 days after receipt of the notice of denial of licensure.

Sec. 14.37.027. Variances. (a) The department may grant to an applicant for a license under this chapter, or to a licensee, a variance from a requirement of this chapter or a regulation adopted under this chapter if that person submits to the department, on a form provided by the department, a complete variance request as required by this section. A variance may be granted if

(1) the applicant or licensee proposes an alternative means, acceptable to the department, to satisfy the intent of the requirement for which the variance is requested; and

(2) the health and safety of children is adequately protected.

(b) A request for a variance must contain the following information:

(1) the statute or regulation from which the variance is sought;

(2) the reasons why the variance is needed;

(3) the period of time for which the variance is requested;

(4) the proposed alternative means of satisfying the intent of the requirement for which the variance is requested;

(5) a statement as to how the health and safety of children will be protected during the period of the variance; and

(6) assurance that the conditions of the facility do not present an imminent danger to the health or safety of individuals served by the facility.

(c) To evaluate a request for a variance, the department shall take one or more of the following actions:

- 1 (1) investigate the statements in the request;
- 2 (2) inspect the facility;
- 3 (3) schedule a conference with the applicant or licensee regarding the
- 4 variance request.

5 (d) The department's decision approving or denying a variance must be in
 6 writing, and the department shall provide a copy of the decision to the person
 7 requesting the variance. If the department grants the variance, the decision must state
 8 the term of and conditions of the variance.

9 (e) If an applicant or licensee violates a condition of a variance granted under
 10 this section, the variance is terminated.

11 **Sec. 14.37.029. Content of license; posting.** (a) A license issued under this
 12 chapter must state

- 13 (1) the period of time during which the license is in effect;
- 14 (2) the name of the facility;
- 15 (3) the type of facility;
- 16 (4) the name of the licensee;
- 17 (5) the location and mailing address of the facility;
- 18 (6) the number and age range of children that the facility may have in
- 19 care at any time;
- 20 (7) all conditions set by the department;
- 21 (8) variances approved by the department for the duration of the
- 22 license; and
- 23 (9) the address and phone number of the nearest department office that
- 24 is responsible for administering this chapter or of the department representative
- 25 responsible for evaluating that facility under AS 14.37.010(a)(4).

26 (b) A licensee shall post the license in a conspicuous place in the facility,
 27 visible to individuals in care and their families and to facility staff. If the department
 28 has approved a variance that is not stated on the license, the licensee shall post a copy
 29 of the variance near the license.

30 **Sec. 14.37.033. Licenses not transferable.** A license may be issued under
 31 this chapter only for the location and person named in the application. A license

1 issued under this chapter may not be transferred to another person or location.

2 **Sec. 14.37.037. Orientation and training.** The department, by regulation,
3 may require that an applicant or licensee complete orientation or training to assist that
4 person in operating under the license.

5 **Sec. 14.37.039. Records required.** (a) In accordance with regulations
6 adopted by the department, a licensee shall keep the records regarding each individual
7 in its care that are necessary to show compliance with this chapter and regulations
8 adopted under this chapter.

9 (b) The department's licensing records, with the names of all individuals in
10 care and parents of minors in care deleted to protect the confidentiality of those
11 individuals, are available for public inspection, except for

12 (1) material made confidential by state or federal statutes or regulations;

13 (2) material that is part of an uncompleted licensing or complaint
14 investigation;

15 (3) records that would deprive an applicant, licensee, or other person
16 of a fair and impartial hearing; and

17 (4) records for which the department determines that disclosure would
18 constitute an unwarranted invasion of personal privacy.

19 (c) A government agency that provides funding to a facility licensed under this
20 chapter may have access to that facility's records in order to conduct an audit.

21 **Sec. 14.37.043. Monitoring; investigation.** (a) By the first anniversary of
22 the effective date of a biennial license, including a renewed biennial license, the
23 licensee shall submit an annual self-monitoring report to the department. The
24 department shall specify, by regulation, the contents of the report.

25 (b) To encourage parents of children in child care facilities to become involved
26 in day-to-day monitoring of the care provided by the facilities, the department shall
27 require licensees to give to parents of children in child care in the licensee's facility
28 a summary of the regulatory requirements that apply to the facility and the
29 department's or department representative's telephone contact number for reporting a
30 concern regarding child care. The department also may provide notice of the
31 telephone contact numbers for reporting child care concerns.

(c) The department may conduct an investigation, including announced or unannounced on-site inspections, for ongoing monitoring or to assist in its review of an annual self-monitoring report.

Sec. 14.37.045. Biennial license renewal. (a) At least 90 days before the expiration date of a biennial license, a licensee who wishes to remain licensed shall submit, on a form provided by the department, an application for renewal of the license and any associated variances.

(b) Before expiration of a biennial license, the department or its representative shall inspect a facility that is the subject of a renewal application.

(c) The department shall renew a biennial license if the department finds that

(1) the licensee

(A) either is in compliance with this chapter and regulations adopted under this chapter or is substantially in compliance and has implemented a plan of correction, approved by the department, that is designed to bring the facility into full compliance; and

(B) has maintained the facility in good repair and is in compliance with all state fire safety and environmental health and safety code requirements;

(2) the ground for revocation set out in AS 14.37.130(a)(2) does not exist; and

(3) all applicable fees have been paid.

(d) If the licensee submits a renewal application within the time period required by the department by regulation, but the department is unable to complete its review before the expiration date of the biennial license, the license is automatically extended for six months or until the department completes its review and either approves or denies the application, whichever occurs first.

(e) If the department decides to approve an application for renewal, but finds that the applicant is not in compliance with a provision of this chapter, a regulation adopted under this chapter, or a condition on the license, the department, as a condition on the renewed biennial license, shall require the applicant to correct any violations and provide the department with verification of compliance.

(f) If the department denies an application for renewal, it shall provide the applicant with a notice of denial of application. The notice must contain a written statement of the reasons for denial and a form for requesting a hearing under (g) of this section.

(g) An applicant whose application is denied may appeal the department's decision, on the form provided by the department, by requesting a hearing within 15 days after receipt of the notice of denial of application.

Sec. 14.37.047. Notice of changes. (a) A licensee shall provide the department with written notice of a change of mailing address at least 14 days before the effective date of the change.

(b) A licensee shall notify the department within 24 hours after having knowledge of a conviction or indictment, presentment, or charging by information or complaint of an administrator, regular volunteer, staff person, or member of the licensee's household for a violation of the following laws or the laws of another jurisdiction with similar elements:

(1) offenses against the family and vulnerable adults under AS 11.51;

(2) perjury under AS 11.56.200;

(3) offenses included in the definition of "serious offense" under AS 12.62.900.

(c) A licensee shall notify the department at least 20 days before the effective date of a decision to relinquish the license.

(d) A licensee shall notify the department at least 20 days before the date on which the licensee wishes to change the number of children in care or hours of operation.

(e) A licensee shall notify the department no later than one day after signing a contract for sale of the licensed facility.

(f) A licensee shall notify the department at least 30 days before the licensee wishes to change the location of the facility.

Sec. 14.37.105. Complaints. (a) A person who believes that a provision of this chapter, a regulation adopted under this chapter, or a condition of a license issued under this chapter has been violated may file a verbal or written complaint with the

1 department.

2 (b) The department shall investigate all complaints filed under this section
3 unless the department reasonably concludes that the complaint is without merit.

4 (c) After an investigation under this section, the department shall prepare a
5 written report of investigation and shall mail a copy to the licensee or other person
6 who is the subject of the complaint, and to the complainant if requested. If the
7 department determines that a violation of this chapter, a regulation adopted under this
8 chapter, or a condition of a license issued under this chapter has occurred, the
9 department's report of investigation must contain the following:

10 (1) a description of the violation;

11 (2) a citation to the provision of this chapter or the regulation that has
12 been violated, if applicable; and

13 (3) either

14 (A) a date by which the violation must be corrected and a
15 verification of compliance submitted to the department; or

16 (B) a plan of correction.

17 (d) A licensee may submit to the department a written response regarding a
18 report of investigation relating to that facility. The department shall retain the written
19 response in the licensing file.

20 (e) A licensee may not take retaliatory action against a person who files a
21 complaint. A complainant against whom retaliatory action has been taken may recover
22 treble damages in a civil action upon a showing that the action was taken in retaliation
23 for the filing of a complaint.

24 **Sec. 14.37.110. Investigations; search warrants.** (a) An applicant for a
25 license, or a licensee, shall cooperate with the department for purposes of licensing
26 investigations, investigations relating to ongoing monitoring of the facility, or
27 investigations under AS 14.37.105 by

28 (1) permitting representatives of the department to inspect the facility,
29 review records, interview staff, and interview individuals in care; and

30 (2) providing to the department information and documentation
31 requested by the department to determine compliance with this chapter and regulations

adopted under this chapter.

(b) Following an investigation relating to ongoing monitoring of a facility or relating to a facility that the department believes is operating without a license in violation of this chapter, the department shall prepare and distribute a written report of investigation as described in AS 14.37.105(c), and the facility may submit a response as described in AS 14.37.105(d).

(c) The department may seek a search warrant to inspect a facility if

(1) the department has probable cause to believe that the facility is operating without a license in violation of this chapter and the facility operator refuses to allow an inspection by the department; or

(2) the licensee refuses to allow an inspection of the facility by the department.

Sec. 14.37.120. Enforcement actions. (a) During an investigation under this chapter, the department may, by written notice, suspend operations of the facility if the department has reasonable cause to believe that a violation is occurring that presents an imminent danger to the health or safety of the individuals in care. A suspension under this subsection continues for the time period set by the department and may continue until the department issues a report of investigation under AS 14.37.105(c) or 14.37.110(b).

(b) If, after an investigation under this chapter, the department has determined that a violation of this chapter or a regulation adopted under this chapter has occurred or a ground for revocation or nonrenewal set out in AS 14.37.130 exists, has issued a report of investigation under AS 14.37.105(c) or 14.37.110(b), and has determined that voluntary compliance or a plan of correction is not appropriate, the department may take one or more of the following enforcement actions as the department considers appropriate:

(1) delivery of a warning notice to the licensee or other person who is the subject of the investigation;

(2) modification of the term of an existing license or reduction of the number of children for whom care can be provided;

(3) suspension of operations of the facility for a period of time set by

1 the department;

2 (4) suspension of new enrollment in the facility for a period of time set
3 by the department;

4 (5) nonrenewal of the license;

5 (6) revocation of the license;

6 (7) issuance of an order requiring immediate closure of the facility;

7 (8) assessment of an administrative fine of up to \$500 for each day a
8 violation continues, not to exceed a total of \$5,000 for a violation.

9 (c) The department shall provide the licensee or other person who is the
10 subject of an investigation with written notice of the department's decision under (b)
11 of this section to take enforcement action. The notice must contain a form for
12 requesting a hearing under (d) of this section and must describe

13 (1) the condition, if any, in the facility that constitutes a violation of
14 this chapter or a regulation adopted under this chapter;

15 (2) each enforcement action that will be taken;

16 (3) the licensee's or other person's right to appeal the department's
17 decision to take an enforcement action described in (b)(2) - (8) of this section.

18 (d) A licensee or other person to whom a notice has been provided under (a)
19 or (c) of this section may appeal the department's decision to impose an enforcement
20 action described in (a) or (b)(2) - (8) of this section by filing a written request for a
21 hearing, on the form provided by the department, within 15 days after receipt of the
22 notice of enforcement action.

23 (e) Unless the violation that prompted enforcement action under (b) of this
24 section presents an imminent danger to the health or safety of the individuals in care,
25 an enforcement action described in a notice provided under (c) of this section may not
26 be imposed until

27 (1) the time period for requesting a hearing under (d) of this section has
28 passed without a hearing being requested; or

29 (2) the department makes a final decision following a hearing requested
30 under (d) of this section.

31 (f) If a hearing is requested under (d) of this section, the department's decision

1 following the hearing is a final administrative order.

2 (g) If a hearing is not requested under (d) of this section, the department's
3 notice of enforcement action constitutes a final administrative order, which the
4 department may seek the court's assistance in enforcing.

5 (h) A licensee whose license was revoked or not renewed under this section
6 may not reapply for licensure under this chapter until after the time period, if any, set
7 by the department in its final administrative order. If a time period is not set by the
8 department, the revocation or nonrenewal is permanent, and the former licensee may
9 not again apply for licensure under this chapter.

10 (i) Assessment of an administrative fine under this section does not preclude
11 imposition of a criminal penalty under AS 14.37.820.

12 **Sec. 14.37.130. Grounds for license revocation or nonrenewal.** (a) In
13 addition to the ground of violation of this chapter or a regulation adopted under this
14 chapter, the department may revoke or decline to renew a license issued under this
15 chapter on one or more of the following grounds:

16 (1) failure to submit a timely and complete renewal application;

17 (2) the indictment or charging by information or complaint, or a
18 criminal conviction within the last 10 years, of the licensee or administrator, member
19 of the licensee's household who is present in the facility at any time the facility is in
20 operation, regular volunteer, or staff person for

21 (A) a felony;

22 (B) a misdemeanor crime of assault, reckless endangerment,
23 contributing to the delinquency of a minor, or misconduct involving a
24 controlled substance; or

25 (C) the crime of perjury, as defined in AS 11 or the laws of
26 another jurisdiction;

27 (3) the conviction, indictment, presentment, or charging of the licensee
28 or an administrator, member of the licensee's household who is present in the facility
29 at any time the facility is in operation, regular volunteer, or staff person at any time
30 for a violation or attempted violation of an offense included in the definitions of
31 "serious offense" under AS 12.62.900;

(4) obtaining or attempting to obtain or retain a license under this chapter by fraudulent means, misrepresentation, or by submitting false information;

(5) failure to correct a violation noted in a report of investigation provided under AS 14.37.105(c) or 14.37.110(b);

(6) failure to comply with a final administrative order issued by the department under AS 14.37.120.

(b) A licensee may voluntarily relinquish the license or withdraw an application for renewal.

Sec. 14.37.800. Administrative procedure. The administrative adjudication provisions of AS 44.62 (Administrative Procedure Act) apply to an appeal from a department decision under this chapter relating to denial, involuntary conditioning, or revocation of a license, suspension of operations or admissions, or assessment of an administrative fine.

Sec. 14.37.810. Immunity from liability. (a) A person operating under agreement with the department under AS 14.37.010(a)(4) is immune from civil liability that might otherwise be incurred or imposed for acts or omissions that occurred during the performance of the person's duties on behalf of the department if the person was operating within the scope of the duties delegated to the person under the agreement.

(b) The department and its employees are not liable for civil damages as a result of an act or omission in the licensing, monitoring, or supervision of a facility licensed under this chapter. This subsection does not preclude liability for civil damages as a result of gross negligence or reckless or intentional misconduct.

Sec. 14.37.820. Penalty. A person who violates a provision of this chapter or a regulation adopted under this chapter is guilty of a class B misdemeanor.

Sec. 14.37.900. Definitions. In this chapter,

(1) "administrator" means an individual who has general administrative charge and oversight of a facility;

(2) "child" means an individual under 18 years of age, and includes an individual who is a relative of a care provider or administrator;

(3) "child care" means, care, supervision, and provision of developmental opportunities, with or without compensation, to a child who does not

1 have a parent present;

2 (4) "child care facility" means a place where child care is regularly
3 provided for children under 12 years of age for periods of time that are less than 24
4 hours in duration unless nighttime care is authorized by the department;

5 (5) "criminal justice information" has the meaning given in
6 AS 12.62.900;

7 (6) "department" means the Department of Education and Early
8 Development;

9 (7) "facility" means the administration, program, and physical plant of
10 a child care facility;

11 (8) "licensee" means a person to whom a license has been issued under
12 this chapter;

13 (9) "parent" means a birth or adoptive parent or a legal guardian;

14 (10) "relative" means an individual who is related to another through
15 any of the following relationships, by blood, adoption, or marriage: parent,
16 grandparent, great grandparent, brother, sister, stepparent, stepsister, stepbrother,
17 cousin, aunt, uncle, great-aunt, great-uncle or step-grandparent;

18 (11) "serious offense" has the meaning given in AS 12.62.900.

19 * **Sec. 8.** AS 14 is amended by adding a new chapter to read:

20 **Chapter 38. Head Start, Child Care, and Day Care.**

21 **Article 1. Head Start.**

22 **Sec. 14.38.010. Operation of Head Start programs.** The Department of
23 Education and Early Development shall operate the head start funding program
24 governed by 42 U.S.C. 9835.

25 **Article 2. Day Care Assistance.**

26 **Sec. 14.38.100. Powers and duties.** (a) The department shall

27 (1) implement and administer a program to assist in providing day care
28 for the children of low and moderate income families according to the requirements
29 of AS 14.38.100 - 14.38.199;

30 (2) establish standards of eligibility for day care benefits;

31 (3) contract for the care of children of eligible families;

(4) establish procedures to periodically review the needs of families receiving day care benefits;

(5) provide notification to the local government body of the request for a contract with a day care facility.

(b) The department may

(1) adopt regulations necessary for the performance of its duties under AS 14.38.100 - 14.38.199;

(2) contract with other entities to perform duties of the department under AS 14.38.100 - 14.38.199 within an area specified by the department; within an area, the department shall give higher priority to contracting with municipalities than with other organizations.

Sec. 14.38.110. Administrative costs of program contractors. To defray administrative expenses, a contractor under AS 14.38.100(b) may only retain \$1,000 or 12 percent, whichever is greater, of the day care assistance program funds it receives from the department under the contract.

Sec. 14.38.120. Conditions of receipt of benefits. Benefits may be paid for the care of children of a low or moderate income family only if a parent or guardian, because of the day care, is freed to work or to seek work or to attend school. Benefits may not be paid for the care of children of a family where one parent or guardian is not working, actively seeking work, or attending school and is physically and mentally capable of caring for the children.

Sec. 14.38.130. Eligibility of families for benefits. The department shall determine the eligibility of families for day care benefits on the basis of the following factors:

(1) income of the family including salary, alimony, child support, retirement benefits, social security, and any other source of income;

(2) number of children in the family;

(3) whether there is one parent or guardian solely responsible for the care of the family.

Sec. 14.38.140. Contributions by parent or guardian. The department shall develop a sliding fee scale based on the factors listed in AS 14.38.130 for purposes of

determining the amount to be contributed by the parent or guardian for child care. The contribution of the parent or guardian shall be paid to the day care facility.

Sec. 14.38.150. Placement; payment by state. (a) Parents or guardians shall select the day care facility for the care of their children.

(b) Benefits shall be paid by the department directly to the municipality or organization contracting with the day care facility.

Article 3. Child Care Grants.

Sec. 14.38.160. Child care grant program. (a) A child care grant program is established in the department to provide state assistance in the operation of child care facilities. The department shall provide grants for the operation of child care facilities, including private nonprofit child care facilities. Participation in the program is optional.

(b) To qualify for a grant under (a) or (d) of this section, the child care facility must

(1) be currently licensed under AS 47.35 and applicable municipal licensing requirements;

(2) participate in the day care assistance program under AS 14.38.100 - 14.38.199; and

(3) provide care under a payment system as provided in (g) of this section.

(c) A grant under (a) of this section may not exceed \$50 per month for each child the child care facility cares for, or for each full-time equivalent, as determined by the department. The grant shall be adjusted on a geographic basis by the same factor as funding for a school district is adjusted under AS 14.17.460.

(d) In addition to the grants provided in (a) of this section, the department may, subject to appropriations for that purpose, provide by grant or contract for the education and training of child care employees or administrators. To receive a grant or contract under this subsection or to participate in a training program under this subsection, the child care facility must meet all the requirements of (b) of this section.

(e) An application for a grant under this section shall be made in the form established by the department.

(f) A grant under (a) of this section shall be made monthly or quarterly and shall be based on the monthly average daily full-time equivalent enrollment in the child care facility. If the method of payment for the grant is other than monthly, it shall be at the request of the child care facility with the approval of the department. Based on criteria established by the department, the department may make quarterly advance payments.

(g) Each child care facility receiving a grant under (a) or (d) of this section shall assure that at least 15 percent or one of its child care spaces receiving subsidy under this section, whichever is greater, will be made available, if requested, to children eligible for day care assistance under AS 14.38.100 - 14.38.199, whose parents or guardians wish to pay for care based on attendance only.

(h) The State Board of Education shall, in consultation with interested child care providers and parents, adopt regulations to carry out the purposes of this section.

Sec. 14.38.199. Definitions. In AS 14.38.100 - 14.38.199,

(1) "child" means a person below 13 years of age, or a minor who has a developmental disability;

(2) "child care facility" means an establishment licensed under AS 47.35 including but not limited to day care centers, family day care homes, and schools for preschool age children, which provides care for children not related by blood, marriage, or legal adoption to the owner, operator, or manager of the facility;

(3) "day care" means the care, supervision, and guidance of a child or children unaccompanied by a parent or legal guardian on a regular basis for periods of less than 24 hours a day;

(4) "day care facility" means a center or home licensed in accordance with the provisions of AS 47.35 or recognized by the federal government for the care of children;

(5) "department" means the Department of Education and Early Development;

(6) "developmental disability" means a disability under which a person is incapable of self-care, as verified by a physician or licensed or certified psychologist who has examined the person.

1 * **Sec. 9.** AS 14.38.160(b) is amended to read:

2 (b) To qualify for a grant under (a) or (d) of this section, the child care facility
3 must

4 (1) be currently licensed under **AS 14.37** [AS 47.35] and applicable
5 municipal licensing requirements;

6 (2) participate in the day care assistance program under AS 14.38.100 -
7 14.38.199; and

8 (3) provide care under a payment system as provided in (g) of this
9 section.

10 * **Sec. 10.** AS 14.38.199(2) is amended to read:

11 (2) "child care facility" means an establishment licensed under
12 **AS 14.37** [AS 47.35] including but not limited to day care centers, family day care
13 homes, and schools for preschool age children, which provides care for children not
14 related by blood, marriage, or legal adoption to the owner, operator, or manager of the
15 facility;

16 * **Sec. 11.** AS 14.38.199(4) is amended to read:

17 (4) "day care facility" means a center or home licensed in accordance
18 with the provisions of **AS 14.37** [AS 47.35] or recognized by the federal government
19 for the care of children;

20 * **Sec. 12.** AS 14.42.015(a) is amended to read:

21 (a) There is in the Department of Education **and Early Development** the
22 Alaska Commission on Postsecondary Education consisting of

23 (1) two members of the Board of Regents of the University of Alaska
24 designated by the members of that body;

25 (2) one person representing private higher education in the state
26 selected jointly by the Boards of Trustees of Alaska Pacific University and Sheldon
27 Jackson College from among their membership;

28 (3) one person representing the Department of Education **and Early**
29 **Development** selected by the state Board of Education;

30 (4) four persons broadly and equitably representative of the general
31 public appointed by the governor;

(5) one member of the Alaska Human Resource Investment Council established by AS 23.15.550 [AS 44.19.620] designated by the members of that body;

(6) one person from the members of the local community college advisory councils appointed by the governor;

(7) two members from the legislature, one of whom shall be appointed by the president of the senate and one by the speaker of the house of representatives;

(8) one person appointed in accordance with (e) of this section who is a full-time student as defined in AS 14.43.160;

(9) one administrator appointed by the governor from a proprietary institution of postsecondary education that has an authorization to operate in the state issued under AS 14.48.

* **Sec. 13.** AS 14.43.148(h)(1) is amended to read:

(1) "license"

(A) means, except as provided in (B) of this paragraph, a license, certificate, permit, registration, or other authorization that, at the time of issuance, will be valid for more than 150 days and that may be acquired from a state agency to perform an occupation, including the following:

(i) license relating to boxing or wrestling under AS 05.10;

(ii) authorization to perform an occupation regulated under AS 08;

(iii) teacher certificate under AS 14.20;

(iv) authorization under AS 18.08 to perform emergency medical services;

(v) asbestos worker certification under AS 18.31;

(vi) boiler operator's license under AS 18.60.395;

(vii) certificate of fitness under AS 18.62;

(viii) hazardous painting certification under AS 18.63;

(ix) certification as a municipal correctional, correctional, probation, or parole officer under AS 18.65.245;

(x) security guard license under AS 18.65.400 -

18.65.490;

(xi) license relating to insurance under AS 21.27;

(xii) employment agency permit under AS 23.15.330 -

23.15.520;

(xiii) registration as a broker-dealer, agent, or investment adviser under AS 45.55.030;

(xiv) certification as a pesticide applicator under AS 46.03.320;

(xv) certification as a storage tank worker or contractor under AS 46.03.375;

(xvi) certification as a water and wastewater works operator under AS 46.30; and

(B) does not include

(i) a commercial fishing license under AS 16.05.480, including a crewmember fishing license;

(ii) a vessel license issued under AS 16.05.490 or 16.05.530;

(iii) a license issued under AS 14.37 or AS 47.35;

(iv) a business license issued under AS 43.70;

(v) an entry permit or interim-use permit issued under AS 16.43; or

(vi) a driver's license issued under AS 28.15;

* **Sec. 14.** AS 18.70.081 is amended to read:

Sec. 18.70.081. Approval of fire protection systems. Before October 30 of each year the Department of Public Safety shall prepare and make available a list of approved fire protection systems to [THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS,] the Department of Community [COMMERCE] and Economic Development [,] and the public.

* **Sec. 15.** AS 23.05 is amended by adding a new section to read:

Sec. 23.05.065. Fees for publications, research data, and other services.

The commissioner may establish by regulation and the department may charge

reasonable fees for department publications, research data, and other centralized administrative services to cover the cost of reproduction, printing, mailing, distribution, and other centralized administrative services.

* **Sec. 16.** AS 23.15.010 is amended to read:

Sec. 23.15.010. Administration of vocational rehabilitation [BOARD OF VOCATIONAL REHABILITATION]. The commissioner shall [BOARD OF EDUCATION WHICH ADMINISTERS THE PROGRAM OF VOCATIONAL EDUCATION IS DESIGNATED AS THE BOARD OF VOCATIONAL REHABILITATION TO] administer the vocational rehabilitation program.

* **Sec. 17.** AS 23.15.020 is amended to read:

Sec. 23.15.020. Powers and duties of commissioner [BOARD]. (a) The commissioner [BOARD] may cooperate with a federal agency, as provided and required by federal law for vocational rehabilitation.

(b) The commissioner [BOARD] shall comply with the federal laws and the conditions necessary to secure the full benefit of the federal vocational rehabilitation laws, and shall do all things necessary to entitle the state to receive the benefits of the federal laws.

(c) The commissioner [BOARD] may do all the things and adopt the regulations that are necessary to carry out the federal laws and the purposes of AS 23.15.010 - 23.15.210.

* **Sec. 18.** AS 23.15.030 is amended to read:

Sec. 23.15.030. Appointment of administrative officers. The commissioner [BOARD] may appoint administrative officers [,] and delegate to them the authority necessary to carry out AS 23.15.010 - 23.15.210.

* **Sec. 19.** AS 23.15.040 is amended to read:

Sec. 23.15.040. Division of vocational rehabilitation established. The division of vocational rehabilitation is established under the commissioner [BOARD OF VOCATIONAL REHABILITATION] to carry out AS 23.15.010 - 23.15.210.

* **Sec. 20.** AS 23.15.050 is amended to read:

Sec. 23.15.050. Director of vocational rehabilitation. The commissioner [BOARD] shall appoint a director of the division of vocational rehabilitation. The

1 director has the administrative authority delegated by the commissioner [BOARD] and
 2 necessary to carry out AS 23.15.010 - 23.15.210 and the regulations and policies
 3 adopted by the commissioner [BOARD].

4 * **Sec. 21.** AS 23.15.060(a) is amended to read:

5 (a) The commissioner [BOARD ACTING THROUGH THE DIVISION OF
 6 VOCATIONAL REHABILITATION] may enter into necessary agreements on behalf
 7 of the state with the Secretary of Health and Human Services to carry out the
 8 provisions of the federal Social Security Act, as amended, and as it is subsequently
 9 amended, relating to the making of determinations of disability under Title II and Title
 10 XVI of that Act.

11 * **Sec. 22.** AS 23.15.160 is amended to read:

12 **Sec. 23.15.160. Gifts.** The commissioner [BOARD] may accept a gift or
 13 donation from a public or a private source that is offered unconditionally for carrying
 14 out AS 23.15.010 - 23.15.210. The commissioner [BOARD] may accept a conditional
 15 gift if, in the judgment of the agency, the conditions are proper and consistent with
 16 AS 23.15.010 - 23.15.210.

17 * **Sec. 23.** AS 23.15 is amended by adding new sections to read:

18 **Article 3A. Alaska Human Resource Investment Council.**

19 **Sec. 23.15.550. Alaska Human Resource Investment Council.** (a) The
 20 Alaska Human Resource Investment Council is established in the department. The
 21 council consists of the following voting members, not to exceed 26:

- 22 (1) the lieutenant governor or the lieutenant governor's designee;
- 23 (2) the commissioners of community and economic development,
 24 education and early development, health and social services, and labor and workforce
 25 development, or each respective commissioner's designee;
- 26 (3) one representative from the University of Alaska;
- 27 (4) four additional representatives of education, with one from local
 28 public education, one from secondary vocational education, one from a postsecondary
 29 vocational education institution, and one from adult basic education;
- 30 (5) four representatives of business and industry, with at least one
 31 representative from the private industry councils appointed under 29 U.S.C. 1512 and

1 subject to reconstitution under 29 U.S.C. 1515;

2 (6) four representatives of organized labor that the governor shall
3 appoint from lists of nominees submitted by recognized state labor organizations; the
4 governor may reject a list submitted under this paragraph and request that another list
5 be submitted;

6 (7) at least one representative from an organization representing
7 employment and training needs of Alaska Natives;

8 (8) at least one representative of a community based service
9 organization;

10 (9) at least one representative who has personal or professional
11 experience with developmental disabilities; and

12 (10) at least one and up to five additional members of the private sector
13 to ensure a private sector majority and regional and local representation on the council.

14 (b) Additional nonvoting members may be appointed to the council from
15 government or nongovernment entities.

16 (c) A member of the council under (a) of this section may appoint a designee
17 to serve in place of the member named in (a) of this section. The member shall
18 appoint the designee in writing.

19 **Sec. 23.15.555. Appointment and term of members.** (a) Members of the
20 Alaska Human Resource Investment Council other than those listed in
21 AS 23.15.550(a)(1) and (2) are appointed by the governor and serve at the pleasure of
22 the governor. The governor may appoint one person to fill two or more of the places
23 listed in AS 23.15.550(a) if the person is qualified in all of the areas the person
24 represents. A member appointed to fill more than one place under this subsection is
25 entitled to only one vote and may appoint only one designee to replace the member
26 in the event the member is unable to attend a meeting.

27 (b) The voting members of the council other than those listed in
28 AS 23.15.550(a)(1) and (2) serve for staggered four-year terms and may serve until a
29 successor is appointed. An appointment to fill a vacancy shall be made in the same
30 manner as the original appointment and for the balance of the unexpired term.

31 (c) The governor shall ensure that individuals appointed to the council have

sufficient expertise to effectively carry out the duties of the council. Expertise of the council includes, where appropriate, knowledge of the long-term needs of individuals preparing to enter the work force; the needs of local, state, and regional labor markets; and the methods for evaluating the effectiveness of vocational training programs in serving varying populations.

Sec. 23.15.560. Compensation. Members of the Alaska Human Resource Investment Council listed in or appointed under AS 23.15.550(a), including a designee of a member attending in place of the member, serve without compensation but are entitled to per diem and travel expenses authorized by law for boards and commissions under AS 39.20.180. Nonvoting members of the council appointed under AS 23.15.550(b) serve without compensation and are not entitled to per diem and travel expenses. A commissioner appointed under AS 23.15.550(a)(2) or the commissioner's designee is entitled to per diem and travel expenses as a state employee.

Sec. 23.15.565. Officers. The Alaska Human Resource Investment Council shall elect a chair and a vice-chair from among the members listed in or appointed under AS 23.15.550(a)(5). The chair and vice-chair serve in their positions at the pleasure of the council.

Sec. 23.15.570. Meetings, quorum, and committees. (a) The Alaska Human Resource Investment Council shall meet not more than three times in a calendar year at the call of the chair to conduct its business. A majority of the members listed in or appointed to the council under AS 23.15.550(a) constitutes a quorum.

(b) The council shall establish an executive committee and four permanent standing committees as described in (c) - (g) of this section. The chair of a permanent standing committee must be from the private sector. The council may establish additional standing committees and special committees or subcommittees, not necessarily consisting of council members, to advise and assist the council in carrying out its functions assigned by federal or state statute. The permanent standing committees are

- (1) the assessment and evaluation committee;
- (2) the policy and planning committee;

1 (3) the employment and placement committee; and

2 (4) the workforce readiness committee.

3 (c) The executive committee consists of the chair and vice-chair of the council,
4 the immediate past chair of the council, and the chairs of the four standing committees
5 described in (d) - (g) of this section. The executive committee has the duties and may
6 exercise the powers of the council between meetings of the council. The executive
7 committee shall

8 (1) report to the council in a timely fashion on actions taken on behalf
9 of the council; and

10 (2) supervise the affairs of the council between regular meetings of the
11 council.

12 (d) The assessment and evaluation committee shall

13 (1) assess and evaluate programs, initiatives, and the delivery of
14 services to help to ensure equitable distribution of quality education, training, and
15 employment services statewide, especially to rural areas and to programs serving
16 economically disadvantaged citizens;

17 (2) call for and monitor the workforce development system for
18 increased accountability in performance and continuous quality improvement along the
19 goals and strategies of the council's overall statewide strategic plan for workforce
20 development;

21 (3) use evaluation and performance measures to gauge customer
22 satisfaction within the workforce development system; and

23 (4) perform other duties assigned by the council.

24 (e) The policy and planning committee shall

25 (1) build policies regarding day-to-day operations and long-term
26 responsibilities of the council;

27 (2) work to increase awareness of the council and its mission
28 throughout the state;

29 (3) work with all other committees on a statewide strategic plan for
30 workforce development; and

31 (4) perform other duties assigned by the council.

- 1 (f) The employment and placement committee shall
- 2 (1) ensure the statewide strategic plan for workforce development
- 3 addresses
- 4 (A) customer needs at the local level;
- 5 (B) moving welfare recipients into the workforce;
- 6 (C) promoting the hiring of state residents in jobs that have
- 7 traditionally been filled by out-of-state workers;
- 8 (D) tailoring employment and training programs to suit state
- 9 business, industry, and economic development needs;
- 10 (2) monitor the coordination of service delivery to promote efficiency
- 11 and to prevent overlap of services among programs; and
- 12 (3) perform other duties assigned by the council.
- 13 (g) The workforce readiness committee shall
- 14 (1) provide oversight for training, education, and employment programs
- 15 to ensure the programs are delivering education and training that is relevant to local
- 16 market needs and the career goals of state residents;
- 17 (2) build partnerships between employers and quality workforce training
- 18 programs;
- 19 (3) work to connect the state public and private education systems with
- 20 business, government, and labor to ensure that state residents are receiving workforce
- 21 readiness skills throughout the education process; and
- 22 (4) perform other duties assigned by the council.
- 23 **Sec. 23.15.575. Council as state planning entity.** The Alaska Human
- 24 Resource Investment Council shall act as the lead state planning and coordinating
- 25 entity for state human resource programs administered under
- 26 (1) 29 U.S.C. 1501 - 1792b (Job Training Partnership Act);
- 27 (2) 20 U.S.C. 2301 - 2471 (Carl D. Perkins Vocational and Applied
- 28 Technology Education Act);
- 29 (3) 20 U.S.C. 1201 - 1213d (Adult Education Act);
- 30 (4) 29 U.S.C. 49 - 49l-1 (Wagner - Peyser Act);
- 31 (5) 42 U.S.C. 681 - 687 (Job Opportunities and Basic Skills Training

Program) for needy families with children under the Social Security Act;

(6) the employment program established under 7 U.S.C. 2015(d)(4) (Food Stamp Act of 1977);

(7) all federal programs designated as successors to the programs listed in (1) - (6) of this section; and

(8) all state laws involving employment training, vocational education, workforce development, and community service.

Sec. 23.15.580. Functions of the council. (a) As the lead state planning and coordinating entity, the Alaska Human Resource Investment Council has responsibility, to the extent authorized by federal and state law, for planning and coordinating federal, state, and local efforts in human resource programs in this state related to employment training, including the work activities of the Alaska temporary assistance program under AS 47.27.

(b) The council shall

(1) facilitate the development of statewide policy for a coordinated and effective employment training and education system in this state;

(2) identify the human resource investment needs in the state and develop a plan to meet those needs;

(3) review the provision of services and the use of money and resources by the human resource programs listed in AS 23.15.575;

(4) assume the duties and functions of the state councils described under the laws relating to the federal human resource programs listed in AS 23.15.575;

(5) advise the governor, state and local agencies, and the University of Alaska on the development of state and local standards and measures relating to applicable human resource programs;

(6) submit, to the governor and the legislature, a biennial strategic plan to accomplish the goals developed to meet human resource investment needs;

(7) monitor for the implementation and evaluate the effectiveness of the strategic plan developed by the council;

(8) adopt regulations that set standards for the percentage of a grant that may be used for administrative costs; the regulations must clearly identify and

distinguish between expenses that may be included in administrative costs and those that may not be included in administrative costs; the percentage allowed for administrative costs may not exceed the lesser of 15 percent or the amount permitted under the requirements of a federal program, if applicable;

(9) report annually to the legislature, by the 30th day of the regular legislative session, on the performance and evaluation of training programs in the state subject to review under (f) of this section;

(10) identify ways for agencies operating programs subject to oversight by the council to share resources, instructors, and curricula through collaboration with other public and private entities to increase training opportunities and reduce costs; and

(11) adopt regulations under AS 44.62 (Administrative Procedure Act) to carry out the purposes of AS 23.15.550 - 23.15.585.

(c) The council may receive money designated for human resource programs and may disburse money, including grants, to human resource projects in accordance with AS 37.07 (Executive Budget Act). The council may enter into partnership agreements through appropriate administrative agencies with private industry training entities within the state in order to facilitate the coordination of training opportunities.

(d) The council shall provide oversight for the planning and coordination of employment-related education training programs operated by the state or operated under contract with the state that are described in (f) of this section. The council shall require a training program listed in (f) of this section to meet the requirements of this subsection. The council shall, by regulation, establish appropriate penalties for programs that fail to meet the requirements of this subsection. The council may recommend to the legislature changes to enhance the effectiveness of the training programs it oversees under this section. A training program described in (f) of this section funded with money appropriated by the legislature must

(1) meet the standards adopted by the council concerning the percentage of a grant that may be spent on administrative costs;

(2) be operated by an institution that holds a valid authorization to operate issued under AS 14.48 by the Alaska Commission on Postsecondary Education if the program is a postsecondary educational program operated by a postsecondary

educational institution subject to regulation under AS 14.48;

(3) provide to the Department of Labor and Workforce Development the information required by the department for the preparation of the statistical information necessary for the council to evaluate programs by the standards set out in (e) of this section.

(e) The council shall develop standards that encourage agencies to contract for training programs that maximize the program's class size. The council shall adopt standards for the evaluation of training programs listed in (f) of this section with regard to the following:

(1) the percent of former participants who have a job one year after leaving the training program;

(2) the median wage of former participants seven to 12 months after leaving the program;

(3) the percent of former participants who were employed after leaving the training program who received training under the program that was related to their jobs or somewhat related to their jobs seven to 12 months after leaving the training program;

(4) the percent of former participants of a training program who indicate that they were satisfied with or somewhat satisfied with the overall quality of the training program;

(5) the percent of employers who indicate that they were satisfied with the quality of the work of new employees who had recently completed the training program.

(f) The following training programs are subject to the provisions of (d) and (e) of this section:

(1) in the Department of Labor and Workforce Development or operated by the department:

(A) One Stop Career Center;

(B) Job Training Partnership Act programs under 29 U.S.C. 1501 - 1792b, assisting communities in moving toward a self-sustainable economy and providing training;

(C) state training and employment program (AS 23.15.620), providing training and employment services for people who are unemployed or likely to become unemployed, fostering new jobs, and increasing training opportunities for workers severely affected by fluctuations in the state economy or adversely affected by technology advances in the workplace;

(D) employment-related adult basic education;

(E) School-to-Work;

(F) employment training services operated as part of the Alaska Temporary Assistance Program (ATAP);

(G) unemployment insurance grants provided under the federal training relocation assistance program;

(H) Alaska works programs, assisting with the welfare-to-work program;

(I) state training and employment program, coordinated with the Department of Community and Economic Development;

(2) in the Department of Education and Early Development or operated by the department, the non-public-school portions of the following programs:

(A) high school completion project;

(B) Kotzebue Technical Center;

(C) Alaska Vocational Technical Center;

(D) vocational education and Tech Prep;

(E) Alaska Career Information System.

(g) The council shall assess the programs listed in this subsection and make recommendations to the legislature in its report required under (b)(9) of this section about whether to include one or more of these programs under the requirements of (f) of this section:

(1) in the Department of Community and Economic Development or operated by the department:

(A) local government assistance training and development, including the rural utility business advisory program;

(B) energy operations, providing training in management and

1 administration of electric utilities and bulk fuel storage systems;

2 (2) in the Department of Corrections:

3 (A) Correctional Academy, training individuals applying for a
4 correctional officer position;

5 (B) inmate programs, providing vocational technical training and
6 education courses for inmates preparing to be released from a correctional
7 facility;

8 (C) correctional industries program, providing inmates with jobs
9 while they are incarcerated;

10 (3) in the Department of Environmental Conservation:

11 (A) remote maintenance worker program, providing training and
12 technical assistance to communities to keep drinking water and sewage disposal
13 systems running, and providing on-the-job training to local operators;

14 (B) water and wastewater operator training and assistance;

15 (C) federal drinking water operator training and certification;

16 (4) in the Department of Military and Veterans' Affairs: educational
17 benefits for members of the Alaska National Guard and the Alaska Naval Militia;

18 (5) in the Department of Public Safety:

19 (A) fire service training to maintain emergency training skills
20 for existing fire fighter staff and volunteers and individuals interested in
21 becoming fire fighters;

22 (B) Public Safety Training Academy, training trooper recruits;

23 (6) in the Department of Transportation and Public Facilities:

24 (A) engineer-in-training program, providing on-the-job training
25 for apprentice engineers to enable them to gain the experience necessary to be
26 certified;

27 (B) statewide transportation improvement program, offered by
28 the United States National Highway Institute;

29 (C) local technical assistance program, transferring technical
30 expertise to local governments;

31 (D) Native technical assistance program, transferring technical

1 expertise to Native governments;

2 (E) border technology exchange program, to coordinate highway
3 issues with the Yukon Territory;

4 (7) in the Department of Labor and Workforce Development: vocational
5 rehabilitation client services and special work projects, employment services, including
6 job development, assisting individuals in finding employment, and assisting employed
7 individuals in finding other employment;

8 (8) in the Department of Administration: Alaska Professional
9 Development Institute, providing continuing education and training for employed
10 workers.

11 (h) The University of Alaska shall evaluate the performance of its training
12 programs using the standards set out in (e) of this section and shall provide a report
13 on the results to the council for inclusion in the council's annual report to the
14 legislature.

15 (i) The council shall review each program listed in (f) of this section to
16 determine whether it is in compliance with the standards set out in (d) and (e) of this
17 section. If the council finds that a program has failed to comply with the standards
18 set out in (d) and (e) of this section, it shall notify the program director of the failure.
19 If the program director fails to improve the performance of the program within a
20 reasonable time, the council shall notify the governor and the legislative budget and
21 audit committee that the program is out of compliance. A contract entered into by a
22 state agency relating to a training program set out in (f) of this section must contain
23 terms consistent with this section.

24 (j) A department that operates or contracts for a training program listed in (f)
25 of this section shall pay to the council a management assessment fee not to exceed .75
26 percent of the program's annual operating budget. The total amount received as
27 management assessment fees may not exceed the council's authorized budget for the
28 fiscal year. The council shall, by regulation, establish a method to determine annually
29 the amount of the management assessment fee. If the amount the council expects to
30 collect under this subsection exceeds the authorized budget of the council, the council
31 shall reduce the percentages set out in this subsection so that the total amount of the

1 fees collected approximately equals the authorized budget of the council for the fiscal
 2 year. The council shall adopt regulations under AS 44.62 (Administrative Procedure
 3 Act) necessary to administer this subsection.

4 (k) Upon the enactment of a new federal or state program relating to work
 5 force development, the council shall

6 (1) advise the governor and the legislature on whether the council
 7 should provide oversight for the new program under this section; and

8 (2) make recommendations necessary to streamline and coordinate state
 9 efforts to meet the guidelines of the new program.

10 (l) For purposes of this section, "program"

11 (1) does not refer to the overall activities of an individual institution
 12 or individual fields of study or courses that are not associated with programs for which
 13 the council has oversight responsibility;

14 (2) may include a certificate or associate degree course or a course that
 15 is not for credit, whether it is offered by a public or private institute or contracted for
 16 by the private sector, so long as it is related to employment.

17 **Sec. 23.15.585. Administration.** (a) The governor shall appoint the executive
 18 director for the Alaska Human Resource Investment Council. The department shall
 19 provide professional, technical, and administrative staff for the Alaska Human
 20 Resource Investment Council.

21 (b) Subject to legislative appropriations, and in accordance with AS 37.07
 22 (Executive Budget Act), the council's budget is funded from programs for which the
 23 council is the lead state planning and coordinating entity under AS 23.15.575.

24 * **Sec. 24.** AS 23.15.645(b) is amended to read:

25 (b) When a grant is awarded to the council, the department shall annually
 26 provide to the council a priority list of targeted projects or services, based on
 27 unemployment statistics, unemployment insurance claims, occupational and industrial
 28 projections, availability of other training and employment programs, and other relevant
 29 data. The department shall also provide annually to the council a priority list of
 30 criteria for eligibility to maximize services to those people most in need of training
 31 under AS 23.15.620 - 23.15.660. In developing the priority list for targeted projects

and services, the department shall solicit comments from the [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS,] Department of Education **and Early Development, the** Department of **Community** [COMMERCE] and Economic Development, **the** University of Alaska, organized labor, the council, and the administrative entities of the substate service delivery areas established for the council. The department shall give preference to projects and services that train individuals in industries identified in the resident hire report required under AS 36.10.130 as employing a disproportionate percentage of nonresident individuals.

* **Sec. 25.** AS 23.15.660(1) is amended to read:

(1) "council" means the Alaska Human Resource Investment Council established in **AS 23.15.550** [AS 44.19.620];

* **Sec. 26.** AS 23.15 is amended by adding new sections to read:

Article 6. Business Incentive Training Program.

Sec. 23.15.700. Business incentive training program established. (a) There is established in the department the business incentive training program. The incentive program shall be administered as a supplement to the Job Training Partnership Act (P.L. No. 97-300).

(b) The purpose of the incentive program is to encourage private industry to provide new job opportunities by offering assistance in training the new work force and in retraining existing employees to implement new technologies.

Sec. 23.15.710. Administration. (a) The Alaska Human Resource Investment Council shall oversee the incentive program. The service delivery areas established under 29 U.S.C. 1511 and subject to redesignation under 29 U.S.C. 1515 shall be used in the administration of the incentive program. The private industry councils appointed under 29 U.S.C. 1512 and subject to reconstitution under 29 U.S.C. 1515 shall serve as the private industry councils for the incentive program.

(b) The council shall divide appropriations for the incentive program equally among the private industry councils. If a private industry council lacks sufficient money to fund a proposal, the private industry council may apply to the council for additional funding. The council may approve reallocation of money from one service delivery area to another to fund a particular proposal if it finds that the reallocation

1 will best serve the purposes of the program.

2 (c) The council shall adopt regulations under AS 44.62 (Administrative
3 Procedure Act) to implement AS 23.15.700 - 23.15.810.

4 **Sec. 23.15.720. Business incentive training plan.** (a) A private industry
5 council shall adopt a business incentive training plan for the service delivery area. The
6 plan must extend for two years to coincide with the term for the Job Training
7 Partnership Act (P.L. 97-300) and must contain

8 (1) identification of the entity or entities that will administer the
9 incentive program and be the grant recipient for grants from the state;

10 (2) a description of the services to be provided, including the estimated
11 duration of service and the estimated training cost per participant;

12 (3) procedures for identifying and selecting participants;

13 (4) performance goals established in accordance with standards under
14 AS 23.15.780;

15 (5) procedures for awarding grants to businesses; and

16 (6) the budget for two program years and any proposed expenditures
17 for the succeeding two program years in as much detail as required by the grant
18 administrator designated under AS 23.15.740.

19 (b) If changes in labor market conditions, funding, or other factors require
20 substantial deviation from an approved business incentive training plan, the private
21 industry council and the appropriate elected municipal official or officials shall submit
22 a modification of the plan and the budget for review under AS 23.15.730.

23 **Sec. 23.15.730. Review and approval of business incentive training plan.**
24 The business incentive training plan shall be published and made available for review
25 and comment as an attachment to the job training plan as set out in 29 U.S.C. 1515.
26 The business incentive training plan is subject to review and approval by the governor.

27 **Sec. 23.15.740. Business incentive training grants.** (a) Each private industry
28 council shall designate an administrative entity to be the grant recipient and
29 administrator for the region. An employer may apply to the grant administrator for a
30 business incentive grant if the employer is a private for-profit or nonprofit corporation,
31 partnership, or sole proprietor business. The grant administrator shall review

1 applications and award grants.

2 (b) Each grant administrator is responsible for the allocation of funds and the
3 eligibility of those enrolled in its programs. The grant administrator is responsible for
4 taking action against its subcontractors, subgrantees, and other recipients to eliminate
5 abuses in the programs they are carrying out, and to prevent misuse of funds. If the
6 arrangement is included in an approved job training plan, a grant administrator may
7 delegate the responsibility for determining eligibility under reasonable safeguards,
8 including provisions for reimbursement of costs incurred because of erroneous
9 determinations made with insufficient care.

10 (c) A business incentive training grant shall be used to recruit and train eligible
11 employees for newly created permanent or permanent seasonal positions or to enable
12 existing employees to acquire the skills necessary to qualify the employee to
13 implement new technologies. A business incentive training grant may be used for
14 occupations for which there is a demand in the area served or in another area to which
15 the participant is willing to relocate and for emerging technologies in the state. In
16 selecting recruiting and training programs, the private industry councils and the grant
17 administrators may consider whether the occupation in which recruiting or training is
18 sought is in a sector of the economy that has a high potential for sustained demand or
19 growth.

20 (d) Only individuals eligible under the business incentive training plan and
21 residing in the service delivery area may be participants in employment and training
22 activities funded under the business incentive training program. To be eligible for
23 training or education services under AS 23.15.700 - 23.15.810, immediately before
24 beginning training or education under the program a person shall

25 (1) have been unemployed and

26 (A) receiving unemployment insurance benefits; or

27 (B) have exhausted the right to unemployment insurance
28 benefits within the past three years;

29 (2) be liable to be displaced from work within the next six months
30 because of

31 (A) reductions in overall employment within the business;

- 1 (B) elimination of the person's current job; or
- 2 (C) a change in the conditions of the employee's job requiring
- 3 that, to remain employed, the employee must have substantially different skills
- 4 that the employee does not now possess; or
- 5 (3) have worked in a position covered by AS 23.20 at any time during
- 6 the last three years and be ineligible for unemployment insurance benefits because the
- 7 person
- 8 (A) was working in a seasonal, temporary, part-time, or other
- 9 marginal employment;
- 10 (B) has insufficient qualifying wages because of limited job
- 11 opportunities; or
- 12 (C) is employed, but, because the person is underemployed, the
- 13 person needs employment assistance and training to obtain full employment.
- 14 (e) Payments to employers for on-the-job training of participants who
- 15 experience multiple barriers to employment or are eligible under the Job Training
- 16 Partnership Act (P.L. 97-300) may not average more than 80 percent of the wages paid
- 17 by the employer to the participant. Payments to employers for on-the-job training of
- 18 other participants may not average more than 50 percent of the wages paid by the
- 19 employer to participants. The payments shall be considered to be in compensation for
- 20 the extraordinary costs associated with training employees for new positions and the
- 21 lower productivity of the participants.
- 22 (f) A grant made under the business incentive training program may not be
- 23 used to duplicate facilities or services available in the area from federal, state, or local
- 24 sources unless the business incentive training plan establishes that services or facilities
- 25 under the program would be more effective or more likely to achieve performance
- 26 goals.
- 27 (g) A fee may not be charged for placing an individual in or referring an
- 28 individual to a training program under AS 23.15.700 - 23.15.810.
- 29 (h) A business incentive training grant may not be awarded to a program that
- 30 involves political activities.
- 31 (i) An employer at whose request a participant is offered training shall fulfill

the obligation to offer a successful participant in the business incentive training program a position or promotion, as applicable. A participant is considered successful if the participant satisfactorily completes the training program in which the participant was enrolled.

Sec. 23.15.750. Compensation for participants. (a) A trainee may not receive a payment for training activities in which the trainee fails to participate.

(b) An individual in on-the-job training shall be compensated by the employer at the same rates, including periodic increases, as similarly situated employees or trainees and in accordance with applicable law. However, an individual may not be paid less than the state minimum wage under AS 23.10.065 whether or not the individual is exempt under AS 23.10.055 or 23.10.070.

(c) An individual employed in activities authorized under the business incentive training program other than on-the-job training shall be paid wages that are not less than the highest of

(1) the state minimum wage under AS 23.10.065;

(2) the prevailing rate of pay for individuals employed in similar occupations by the same employer; or

(3) the prevailing rate of wages under AS 36.05 or 40 U.S.C. 276a - 276a-5, if applicable.

(d) Allowances, earnings, and payments to individuals participating in programs under the business incentive training program may not be considered as income in determining eligibility for and the amount of income transfer and in-kind aid furnished under a state program based on need, other than programs under the Social Security Act.

(e) Conditions of employment and training must be appropriate and reasonable in light of factors including the type of work, geographical region, and proficiency of the participant.

(f) An individual employed in a subsidized job under the business incentive training program shall be provided benefits and working conditions at the same level and to the same extent as other employees working a similar length of time and doing the same type of work.

(g) Money from a grant under the business incentive training program may not be used for contributions on behalf of a participant to retirement systems or plans.

Sec. 23.15.760. Reporting and record keeping. (a) A grant administrator shall maintain records of each participant's enrollment in a business incentive training program in sufficient detail to demonstrate compliance with AS 23.15.700 - 23.15.810.

(b) The council shall adopt regulations concerning retention of records.

(c) The council shall, no later than February 1 of each year, prepare a report concerning the incentive program and notify the legislature that the report is available.

Sec. 23.15.770. Allowable costs. (a) To be allowable, a cost must be necessary and reasonable for proper and efficient administration of the program. The following costs are not allowable:

(1) costs resulting from violations of or failure to comply with federal, state, or local laws and regulations;

(2) entertainment costs; and

(3) insurance policies offering protection against debts established by the federal government.

(b) Personal liability insurance for members of the private industry council is an allowable cost.

Sec. 23.15.780. Performance standards. (a) The basic measure of performance for training programs under AS 23.15.700 - 23.15.810 is the increase in jobs in the area and in employment and earnings for participants resulting from participation in the program. In order to determine whether these standards are achieved, the governor shall adopt standards based on appropriate factors.

(b) The governor shall provide technical assistance to programs that do not meet performance criteria. If a program fails to meet performance standards for two consecutive years, the governor shall withdraw unencumbered funds from the program.

(c) An interested party who is harmed by a change made under this section is entitled to a hearing under AS 44.62 (Administrative Procedure Act).

Sec. 23.15.790. Limitation on certain costs. No more than 15 percent of the money available to a service delivery area for a fiscal year may be expended for the cost of administration. For purposes of this section, costs of program support,

including counseling, that are directly related to the provision of education or training to participants may not be counted as part of the cost of administration.

Sec. 23.15.800. Selection of service providers. (a) The primary consideration in selecting agencies or organizations to deliver services within a service delivery area is the effectiveness of the agency or organization in delivering comparable or related services based on demonstrated performance, in terms of the likelihood of meeting performance goals, cost, quality of training, and characteristics of participants. In complying with this subsection, proper consideration shall be given to community based organizations as service providers.

(b) Appropriate education agencies in the service delivery area shall be given the opportunity to provide educational services, unless the grant administrator determines that alternative agencies or organizations would be more effective or would have greater potential to enhance the participants' continued occupational and career growth.

(c) The grant administrator may not fund an occupational skills training program unless the level of skills provided in the program is in accordance with guidelines established by the private industry council.

Sec. 23.15.810. Definitions. In AS 23.15.700 - 23.15.810,

(1) "council" means the Alaska Human Resource Investment Council;

(2) "incentive program" means the business incentive training program established under AS 23.15.700;

(3) "participant" means an individual receiving education or training, including on-the-job training, under an incentive program grant.

* **Sec. 27.** AS 23.20.110(a) is amended to read:

(a) Except as provided in (h) and (i) of this section, the department shall hold information obtained from an employing unit or individual in the course of administering this chapter and determinations as to the benefit rights of an individual confidential and may not disclose them or open them to public inspection in a manner that reveals the identity of the individual or employing unit. A claimant or an employing unit, or the legal representative of the claimant or the employing unit, is entitled to information from the records of the department to the extent necessary to

properly present or protest a claim or determination under this chapter. Subject to restrictions that the department prescribes by regulation, the information may be made available to an agency of this state or another state or federal agency charged with the administration of an unemployment compensation law or the maintenance of a system of public employment offices, or, for the purposes of the Federal Unemployment Tax Act, to the Internal Revenue Service of the United States, or, for tax purposes, to the Department of Revenue. Information obtained in the course of administering this chapter or in connection with the administration of the employment service may be made available to persons or agencies for purposes appropriate to the operation of a public employment service or the administration of employment and training programs planned or coordinated by the Alaska Human Resource Investment Council under AS 23.15.550 - 23.15.585 [AS 44.19.620 - 44.19.627].

* **Sec. 28.** AS 25.27.244(s)(2) is amended to read:

(2) "license"

(A) means, except as provided in (B) of this paragraph, a license, certificate, permit, registration, or other authorization that, at the time of issuance, will be valid for more than 150 days and that may be acquired from a state agency to perform an occupation, including the following:

- (i) license relating to boxing or wrestling under AS 05.10;
- (ii) authorization to perform an occupation regulated under AS 08;
- (iii) teacher certificate under AS 14.20;
- (iv) authorization under AS 18.08 to perform emergency medical services;
- (v) asbestos worker certification under AS 18.31;
- (vi) boiler operator's license under AS 18.60.395;
- (vii) certificate of fitness under AS 18.62;
- (viii) hazardous painting certification under AS 18.63;
- (ix) security guard license under AS 18.65.400 - 18.65.490;

- 1 (x) license relating to insurance under AS 21.27;
- 2 (xi) employment agency permit under AS 23.15.330 -
- 3 23.15.520;
- 4 (xii) registration as a broker-dealer, agent, or investment
- 5 adviser under AS 45.55.030;
- 6 (xiii) certification as a pesticide applicator under
- 7 AS 46.03.320;
- 8 (xiv) certification as a storage tank worker or contractor
- 9 under AS 46.03.375;
- 10 (xv) certification as a water and wastewater works
- 11 operator under AS 46.30; and
- 12 (xvi) commercial crewmember fishing license under
- 13 AS 16.05.480 other than an entry permit or interim-use permit under
- 14 AS 16.43;
- 15 (B) does not include
- 16 (i) a vessel license issued under AS 16.05.490 or
- 17 16.05.530;
- 18 (ii) a license issued under **AS 14.37** or AS 47.35;
- 19 (iii) a business license issued under AS 43.70;
- 20 (iv) an entry permit or interim-use permit issued under
- 21 AS 16.43; or
- 22 (v) a driver's license issued under AS 28.15;

23 * **Sec. 29.** AS 29.06.040(c) is amended to read:

- 24 (c) In addition to the regulations governing annexation by local action adopted
- 25 under **AS 44.33.812** [AS 44.47.567], the Local Boundary Commission shall establish
- 26 procedures for annexation and detachment of territory by municipalities by local
- 27 action. The procedures established under this subsection must include a provision that
- 28 (1) a proposed annexation and detachment must be approved by a
- 29 majority of votes on the question cast by voters residing in the area proposed to be
- 30 annexed or detached;
- 31 (2) municipally owned property adjoining the municipality may be

annexed by ordinance without voter approval; and

(3) an area adjoining the municipality may be annexed by ordinance without an election if all property owners and voters in the area petition the governing body.

* **Sec. 30.** AS 29.60.599(9) is amended to read:

(9) "village" means a place within the unorganized borough or within a borough if the power, function, or service for which a grant application is submitted under AS 29.60.500 - 29.60.599 is not exercised or provided by the borough on an areawide or nonareawide basis at the time the grant application is submitted, that

(A) has irrevocably waived, in a form approved by the Department of Law, any claim of sovereign immunity that might arise in connection with the use of grant money under this chapter; and

(B) has

(i) a council organized under 25 U.S.C. 476 (sec. 16 of the Indian Reorganization Act);

(ii) a traditional village council recognized by the United States as eligible for federal aid to Indians; or

(iii) a council recognized by the commissioner under regulations adopted by the department to determine and give official recognition of village entities under AS 44.33.755(b) [AS 44.47.150(b)].

* **Sec. 31.** AS 29.65.060(f) is amended to read:

(f) For purposes of determining the per capita entitlement under (a) of this section, the population of a municipality shall be the population determined by the former commissioner of community and regional affairs under former AS 43.18.010 for the program year beginning July 1, 1978, for a municipality whose entitlement was determined under former AS 29.18.201 or 29.18.202.

* **Sec. 32.** AS 30.13.010(a) is amended to read:

(a) The residents of each area of the state within the boundaries of a regional housing authority established under AS 18.55.996 that [WHICH] is located in whole or in part in the unorganized borough of the state may create a public body corporate and politic under the name and style of the "Resource Development Authority" with

all or any significant part of the name of the region of the state inserted. The boundaries of the authority created shall be coterminous with the portion of the applicable regional housing authority that lies in the unorganized borough. Creation of an authority is initiated by a petition filed with the Department of Community and **Economic Development** [REGIONAL AFFAIRS] and a statement submitted to the governor. The petition must include the proposed name of the authority, its boundaries, and a statement of the facilities proposed to be provided by the authority. The petition must be signed by 15 percent of the total number of residents in the portion of the applicable regional housing authority that lies in the unorganized borough who cast votes in the preceding general election. The Department of Community and **Economic Development** [REGIONAL AFFAIRS] shall review petitions for content and signatures. If the department determines that the petition is adequate, it shall transmit the petition to the director of elections.

* **Sec. 33.** AS 36.30.170(g) is amended to read:

(g) The division of vocational rehabilitation in the Department of **Labor and Workforce Development** [EDUCATION] shall add to its current list of qualified employment programs a list of individuals who qualify as persons with a disability under (e) of this section and of persons who qualify under (f) of this section as employers with 50 percent or more of their employees being persons with disabilities. A person must be on this list at the time the bid is opened in order to qualify for a preference under (e) or (f) of this section.

* **Sec. 34.** AS 36.30.850(b)(11) is amended to read:

(11) agreements with providers of services under **AS 14.38.100** [AS 44.47.250]; AS 47.07; AS 47.08; AS 47.10; 47.17; AS 47.24; and AS 47.27, including contractors under AS 47.27.050;

* **Sec. 35.** AS 36.30.850(b)(30) is amended to read:

(30) contracts entered into with a regional development organization; in this paragraph, "regional development organization" has the meaning given in **AS 44.33.895** [AS 44.47.900];

* **Sec. 36.** AS 37.05.315(a) is amended to read:

(a) When an amount is appropriated or allocated as a grant to a municipality,

the Department of **Community and Economic Development** [ADMINISTRATION] shall promptly notify the municipality of the availability of the grant. When the Department of **Community and Economic Development** [ADMINISTRATION] receives an agreement executed by the municipality **that** [WHICH] provides that the municipality (1) will spend the grant for the purposes specified in the appropriation or allocation; (2) will allow, on request, an audit by the state of the uses made of the grant; and (3) assures that, to the extent consistent with the purpose of the appropriation or allocation, the facilities and services provided with the grant will be available for the use of the general public, the Department of **Community and Economic Development** [ADMINISTRATION] shall pay the grant directly to the municipality. The agreement executed by a municipality under this section shall be on a form furnished by the Department of **Community and Economic Development** [ADMINISTRATION] and shall be executed within 60 days after the effective date of the appropriation or allocation.

* **Sec. 37.** AS 37.05.315(d) is amended to read:

(d) Not less than 20 percent of a grant shall be paid to a municipality within 10 days of the effective date of the agreement under (a) of this section. The remainder of the grant shall be paid either in monthly installments equal to the amount of grant money the municipality expended in the previous month or in a lump sum as determined by the Department of **Community and Economic Development** [ADMINISTRATION].

* **Sec. 38.** AS 37.06.010(j) is amended to read:

(j) In this section, unless specified otherwise, "department" means the Department of **Community and Economic Development** [ADMINISTRATION].

* **Sec. 39.** AS 37.06.020(i) is amended to read:

(i) The limitations of **AS 44.33.745** [AS 44.47.140] do not apply to a grant made under this section.

* **Sec. 40.** AS 37.06.040 is amended to read:

Sec. 37.06.040. Municipalities organized under federal law. An entity organized under federal law as an Indian reserve that existed before enactment of 43 U.S.C. 1618(a) and is continued in existence under that subsection is a municipality

for purposes of AS 37.06.010 - 37.06.090 and may not receive a grant under AS 37.06.020. In addition to other eligibility requirements applicable to municipalities, to qualify to receive a grant under AS 37.06.010, a municipality organized under federal law as an Indian reserve shall form a community development corporation with authority to determine how the grant money will be used. The corporation's charter must require that the governing board of the corporation shall be elected at an annual election open to all residents of the municipality who are registered and qualified to vote in state elections. The Department of **Community and Economic Development** [ADMINISTRATION] may distribute money for the municipality only to a corporation organized in accordance with this section and only after the corporation has delivered a written waiver of sovereign immunity from legal action by the state to recover all or a portion of the money distributed under AS 37.06.010.

* **Sec. 41.** AS 37.06.080 is amended to read:

Sec. 37.06.080. Adoption of regulations. The Department of **Community and Economic Development** [ADMINISTRATION FOR GRANTS UNDER AS 37.06.010 AND THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS FOR GRANTS UNDER AS 37.06.020]

(1) may adopt regulations that impose additional requirements or procedures to implement, interpret, make specific, or otherwise carry out the [APPLICABLE] provisions of this chapter [FOR GRANTS ADMINISTERED BY THE DEPARTMENT];

(2) shall adopt regulations providing for periodic audits of the use of money for grants [ADMINISTERED BY THE DEPARTMENT] under this chapter, including audit of the department's determination of the value of, and adequacy of the verification of the actual use of, locally funded or contributed labor on projects funded by a grant under this chapter.

* **Sec. 42.** AS 38.06.025(a) is amended to read:

(a) The board consists of the commissioner of **community** [COMMERCE] and economic development; the commissioner of **revenue** [COMMUNITY AND REGIONAL AFFAIRS]; the commissioner of natural resources, who is a nonvoting member; and five public members.

* **Sec. 43.** AS 39.25.120(c)(15) is amended to read:

(15) [THE DEPUTY DIRECTOR OF THE DIVISION OF TOURISM AND] the deputy director of the division of insurance in the Department of Community [COMMERCE] and Economic Development;

* **Sec. 44.** AS 39.25.158(b) is amended to read:

(b) After an employee requests to return to work, the reemployment benefits administrator of the division of workers' compensation or the director of vocational rehabilitation in the Department of Labor and Workforce Development [EDUCATION] shall review the request and certify that the employee is able to return to work under (c), (d), (e), or (f) of this section, or defer certification until the employee completes retraining under (f) of this section.

* **Sec. 45.** AS 39.50.200(b)(18) is amended to read:

(18) Local Boundary Commission (AS 44.33.810 [AS 44.47.565]);

* **Sec. 46.** AS 39.50.200(b)(55) is amended to read:

(55) Alaska Human Resource Investment Council (AS 23.15.550) [(AS 44.19.620)].

* **Sec. 47.** AS 42.45.060(a) is amended to read:

(a) A loan committee consisting of five [SEVEN] members is established. The committee is composed of the executive director of the Alaska Energy Authority [COMMISSIONER OF COMMUNITY AND REGIONAL AFFAIRS, THE COMMISSIONER OF COMMERCE AND ECONOMIC DEVELOPMENT], the director of management and budget, or the designees of the executive director [COMMISSIONERS] or the director, and three [FOUR] public members.

* **Sec. 48.** AS 42.45.060(c) is amended to read:

(c) The executive director of the Alaska Energy Authority [COMMISSIONER OF COMMUNITY AND REGIONAL AFFAIRS] serves as chair of the committee. The committee may elect other officers as necessary. A majority of the members of the committee constitute a quorum and may exercise the powers of the committee.

* **Sec. 49.** AS 42.45.990 is amended by adding a new paragraph to read:

(6) "authority" means the Alaska Energy Authority.

1 * **Sec. 50.** AS 44.19.145(a) is amended to read:

2 (a) The office shall

3 (1) provide technical assistance to the governor and the legislature in
4 identifying long range goals and objectives for the state and its political subdivisions;

5 (2) prepare and maintain a state comprehensive development plan;

6 (3) provide information and assistance to state agencies to aid in
7 governmental coordination and unity in the preparation of agency plans and programs;

8 (4) review planning within state government as may be necessary for
9 receipt of federal, state, or other funds;

10 (5) participate with other countries, provinces, states, or subdivisions
11 of them in international or interstate planning, and assist the state's local governments,
12 governmental conferences, and councils in planning and coordinating their activities;

13 (6) encourage educational and research programs that further state
14 planning and development, and provide administrative and technical services for them;

15 (7) publish [SUCH] statistical information or other documentary
16 material **that** [AS] will further the provisions and intent of AS 44.19.141 - 44.19.152;

17 (8) assist the governor and the Department of Community and
18 **Economic Development** [REGIONAL AFFAIRS] in coordinating state agency
19 activities that have an effect on the solution of local and regional development
20 problems;

21 (9) serve as a clearinghouse for information, data, and other materials
22 that may be helpful or necessary to federal, state, or local governmental agencies in
23 discharging their respective responsibilities or in obtaining federal or state financial or
24 technical assistance;

25 (10) review all proposals for the location of capital improvements by
26 any state agency and advise and make recommendations concerning location of these
27 capital improvements;

28 (11) render, on behalf of the state, all federal consistency
29 determinations and certifications authorized by 16 U.S.C. 1456 (Sec. 307, Coastal Zone
30 Management Act of 1972), and each conclusive state consistency determination when
31 a project requires a permit, lease, or authorization from two or more state resource

1 agencies.

2 * **Sec. 51.** AS 44.19.155(a) is amended to read:

3 (a) There is created in the Office of the Governor the Alaska Coastal Policy
4 Council. The council consists of the following:

5 (1) nine public members appointed by the governor from a list
6 comprised of at least three names from each region, nominated by the municipalities
7 of each region; the nominees shall be the mayor or member of the assembly or council
8 of a municipality; one public member shall be appointed from each of the following
9 general regions:

10 (A) northwest Alaska, including, generally, the area of the North
11 Slope Borough and the Northwest Arctic **borough** [REGIONAL
12 EDUCATIONAL ATTENDANCE AREA];

13 (B) Bering Straits, including, generally, the area of the Bering
14 Straits regional educational attendance area;

15 (C) southwest Alaska, including, generally, the area within the
16 Lower Yukon, Lower Kuskokwim, **and** Southwest [, AND LAKE &
17 PENINSULA] regional educational attendance areas and the **Lake and**
18 **Peninsula and** Bristol Bay **Boroughs** [BOROUGH];

19 (D) Kodiak-Aleutians, including the area of the Kodiak Island
20 **and Aleutian East Borough** [BOROUGH] and the Aleutian, Adak and Pribilof
21 regional educational attendance areas;

22 (E) Upper Cook Inlet, including the Municipality of Anchorage
23 and the Matanuska-Susitna Borough;

24 (F) Lower Cook Inlet, including, generally, the area within the
25 Kenai Peninsula Borough;

26 (G) Prince William Sound, including, generally, the area east
27 of the Kenai Peninsula Borough to 141 W. longitude;

28 (H) northern Southeast Alaska, including the area southeast of
29 141 W. longitude and north of 57 N. latitude, including the entirety of the City
30 and Borough of Sitka; and

31 (I) southern Southeast Alaska, including that portion of

southeastern Alaska not contained within the area described in (H) of this paragraph;

(2) each of the following:

(A) the director of the office of management and budget;

(B) the commissioner of community [COMMERCE] and economic development;

(C) [THE COMMISSIONER OF COMMUNITY AND REGIONAL AFFAIRS;

(D)] the commissioner of environmental conservation;

(D) [(E)] the commissioner of fish and game;

(E) [(F)] the commissioner of natural resources; and

(F) [(G)] the commissioner of transportation and public facilities.

* **Sec. 52.** AS 44.19.155(d) is amended to read:

(d) Each member of the council shall select one person to serve as a permanent alternate at meetings of the council. If a member of the council is unable to attend, the member shall advise the alternate who may attend and act in the place of the member. The alternate for a public member appointed under (a)(1) of this section shall, at the time of the alternate's designation and throughout the period of service as a permanent alternate, be the mayor or member of the assembly or council of a municipality within the region from which the permanent member is appointed. The alternate for the director of the office of management and budget, serving under (a)(2)(A) of this section, shall be the director's designee within that office. The alternate for a designated member serving under (a)(2)(B) - (F) [(a)(2)(B) - (G)] of this section shall be a deputy commissioner of the department or the director of a division in the department. The names of alternates shall be filed with the council.

* **Sec. 53.** AS 44.27.020 is amended to read:

Sec. 44.27.020. Duties of department. The Department of Education and Early Development shall

(1) administer the state's program of education at the elementary, secondary, and adult levels, including, but not limited to, programs of vocational

education and training, [VOCATIONAL REHABILITATION,] library services, **and** correspondence courses [, AND ADULT BASIC EDUCATION], but not including degree programs of postsecondary education;

(2) administer the historical library;

(3) plan, finance, and operate related school and educational activities and facilities; **and**

(4) license and regulate child care facilities.

* Sec. 54. AS 44.31.020 is amended to read:

Sec. 44.31.020. Duties of department. The Department of Labor **and** **Workforce Development** shall

(1) enforce the laws, and adopt regulations under them concerning employer-employee relationships, including the safety, hours of work, wages, and conditions of workers, including children;

(2) accumulate, analyze, and report labor statistics;

(3) operate systems of workers' compensation and unemployment insurance; and

(4) gather data reflecting the cost of living in the various election districts of the state upon request of the director of personnel under AS 39.27.030; **and**

(5) operate the federally funded employment and training programs under 29 U.S.C. 1501 - 1792b (Job Training Partnership Act);

(6) administer the state's program of adult basic education.

* Sec. 55. AS 44.33.010 is amended to read:

Sec. 44.33.010. Commissioner of community [COMMERCE] and economic development. The principal executive officer of the Department of **Community** [COMMERCE] and Economic Development is the commissioner of **community** [COMMERCE] and economic development. **Except with respect to the commissioner's membership on the board of directors of the Alaska Railroad Corporation, whenever a statute provides that the commissioner is a member of a board, council, or other similar entity, the commissioner may designate an employee of the department to act in the commissioner's place.**

* Sec. 56. AS 44.33.020 is repealed and reenacted to read:

Sec. 44.33.020. Duties of department. The Department of Community and Economic Development shall

- (1) advise and assist local governments;
- (2) advise the governor and other commissioners on the delivery of government services to rural areas, including services relating to public safety, justice, economic development, natural resource management, education, and public health;
- (3) make recommendations to the governor and other commissioners about policy changes that would affect rural governments and rural affairs;
- (4) serve as staff for the Local Boundary Commission;
- (5) conduct studies and carry out experimental and pilot projects for the purpose of developing solutions to community and regional problems;
- (6) promote cooperative solutions to problems affecting more than one community or region, including joint service agreements, regional compacts, and other forms of cooperation;
- (7) serve as a clearinghouse for information useful in solution of community and regional problems, and channel to the appropriate authority requests for information and services;
- (8) advise and assist community and regional governments on matters of finance, including but not limited to bond marketing and procurement of federal funds;
- (9) prepare suggested guidelines relating to the content of notice of bond sale advertisements, prospectuses, and other bonding matters issued by local governments;
- (10) administer state funds appropriated for the benefit of unorganized regions within the state, allowing for maximum participation by local advisory councils and similar bodies;
- (11) as assigned through a delegation by the governor, administer and implement the state's role in the federal community development quota program established under 16 U.S.C. 1855(i) or a successor federal program; the department may adopt regulations under a delegation from the governor to implement duties under this paragraph;

1 (12) carry out those administrative functions in the unorganized
2 borough that the legislature may prescribe;

3 (13) study existing and proposed laws and state activities that affect
4 community and regional affairs and submit to the governor recommended changes in
5 those laws and activities;

6 (14) coordinate activities of the state that affect community and
7 regional affairs;

8 (15) assist in the development of new communities and serve as the
9 agent of the state for purposes of participation in federal programs relating to new
10 communities;

11 (16) supervise planning, management, and other activities required for
12 local eligibility for financial aid under those federal and state programs that provide
13 assistance to community and regional governments;

14 (17) advise and assist municipalities on procedures of assessment,
15 valuation, and taxation, and notify municipalities of major errors in those procedures;

16 (18) apply for, receive, and use funds from federal and other sources,
17 public or private, for use in carrying out the powers and duties of the department;

18 (19) request and utilize the resources of other agencies of state
19 government in carrying out the purposes of this chapter to the extent such utilization
20 is more efficient than maintaining departmental staff, reimbursing the other agencies
21 when appropriate;

22 (20) administer state and, as appropriate, federal programs for revenue
23 sharing, grants, and other forms of financial assistance to community and regional
24 governments;

25 (21) administer the state programs relating to commerce, enforce the
26 laws relating to these programs, and adopt regulations under these laws;

27 (22) register corporations;

28 (23) collect corporation franchise taxes;

29 (24) enforce state laws regulating public utilities and other public
30 service enterprises, banking and securities, insurance, and other businesses and
31 enterprises touched with a public interest;

- 1 (25) make veterans' loans;
- 2 (26) furnish the budgeting, clerical, and administrative services for
- 3 regulatory agencies and professional and occupational licensing boards not otherwise
- 4 provided for;
- 5 (27) conduct studies, enter into contracts and agreements, and make
- 6 surveys relating to the economic development of the state and, when appropriate,
- 7 assemble, analyze, and disseminate the findings obtained;
- 8 (28) provide factual information and technical assistance for potential
- 9 industrial and commercial investors;
- 10 (29) receive gifts, grants, and other aid that facilitate the powers and
- 11 duties of the department from agencies and instrumentalities of the United States or
- 12 other public or private sources;
- 13 (30) establish and activate programs to achieve balanced economic
- 14 development in the state and advise the governor on economic development policy
- 15 matters;
- 16 (31) formulate a continuing program for basic economic development
- 17 and for the necessary promotion, planning and research that will advance the economic
- 18 development of the state;
- 19 (32) cooperate with private, governmental, and other public institutions
- 20 and agencies in the execution of economic development programs;
- 21 (33) review the programs and annual reports of other departments and
- 22 agencies as they are related to economic development and prepare an annual report on
- 23 the economic growth of the state;
- 24 (34) administer the economic development programs of the state;
- 25 (35) perform all other duties and powers necessary or proper in relation
- 26 to economic development and planning for the state;
- 27 (36) request tourism-related businesses in the state to provide data
- 28 regarding occupancy levels, traffic flow and gross receipts and to participate in visitor
- 29 surveys conducted by the department; data collected under this paragraph that discloses
- 30 the particulars of an individual business is not a matter of public record and shall be
- 31 kept confidential; however, this restriction does not prevent the department from using

the data to formulate tourism economic impact information including expenditure patterns, tax receipts and fees, employment and income attributable to tourism, and other information considered relevant to the planning, evaluation and policy direction of tourism in the state;

(37) provide administrative and budgetary services to the real estate commission under AS 08.88 as requested by the commission;

(38) sell at cost, to the extent possible, publications and promotional materials developed by the department;

(39) as delegated by the governor, administer under 16 U.S.C. 1856 the internal waters foreign processing permit procedures and collect related fees;

(40) administer state laws relating to the issuance of business licenses;

(41) comply with AS 15.07.055 to serve as a voter registration agency to the extent required by state and federal law, including 42 U.S.C. 1973gg (National Voter Registration Act of 1993);

(42) foster the growth of international trade within the state and administer Alaska foreign offices;

(43) carry out other functions and duties, consistent with law, necessary or appropriate to accomplish the purpose of this chapter.

* **Sec. 57.** AS 44.33 is amended by adding new sections to article 1 to read:

Sec. 44.33.112. Fees for publications, research data, and other services.

The commissioner may establish by regulation and the department may charge reasonable fees for department publications, research data, and other centralized administrative services to cover the cost of reproduction, printing, mailing, distribution, and other centralized administrative services.

Sec. 44.33.115. Exxon Valdez oil spill unincorporated rural community grant fund. There is created in the department the Exxon Valdez oil spill unincorporated rural community grant fund. The fund consists of money appropriated to the fund from the Exxon Valdez oil spill restoration fund, the Alyeska settlement fund, and other sources. Appropriations to the fund do not lapse unless otherwise provided by the legislature in the bill making the appropriation to the fund. The department may use the fund to make grants to unincorporated rural communities in

the area affected by the Exxon Valdez oil spill for capital projects for purposes of restoring, replacing, or enhancing subsistence resources or services or other services damaged or lost as the result of the Exxon Valdez oil spill. In this section,

(1) "Alyeska settlement fund" means the trust fund established in the state treasury for the purpose of receiving, holding, and disbursing the settlement proceeds received by the state under the Agreement and Consent Decree in re: The Exxon Valdez, United States District Court, District of Alaska, Case No. A92-175 Civil, decree entered November 25, 1992;

(2) "Exxon Valdez oil spill restoration fund" means the fund established by the Department of Revenue to implement the judgment entered by the United States District Court for Alaska in the criminal case United States of America v. Exxon Shipping Company and Exxon Corporation, No. A90-015 CR.

Sec. 44.33.118. Definitions. In AS 44.33.010 - 44.33.118,

(1) "commissioner" means the commissioner of community and economic development;

(2) "department" means the Department of Community and Economic Development.

* **Sec. 58.** AS 44.33.120(b) is amended to read:

(b) The **Department of Community and Economic Development** [ALASKA DIVISION OF TOURISM] shall

(1) cooperate with the tourism marketing council and organizations in the private sector for the promotion and development of tourism and conventions into and within the state;

(2) coordinate with municipal, state, and federal agencies for the development and promotion of tourism resources and conventions in the state;

(3) review and approve the procurement documents and procedures of the tourism marketing council to ensure compliance with applicable laws and regulations;

(4) promote and develop the state's tourist and convention industry by any of the following:

(A) publicizing state attractions through such means as display

1 advertising in magazines and newspapers, advertising on radio and television
 2 or other advertising media, publishing pamphlets, brochures and other graphic
 3 and pictorial materials, or [BY] aiding and assisting representatives of the
 4 media, to ensure greater coverage of the visitor attractions in the state;

5 (B) participation in travel shows;

6 (C) increasing the awareness of the citizens of the state at the
 7 statewide, regional, and community level of the economic importance of the
 8 visitor industry;

9 (D) assisting potential investors in creating new visitor facilities;

10 (E) administering programs of the state in which the state
 11 provides matching funds for municipalities of the state or nonprofit
 12 organizations that undertake the promotion of visitor travel to and the
 13 development of visitor amenities in the state;

14 (F) administering visitor information centers;

15 (G) conducting research to evaluate the effectiveness of the
 16 tourism marketing council's marketing programs;

17 (H) analyzing the effect on the state's visitor industry of state
 18 land and resource development projects;

19 (I) organizing, administering, and evaluating demonstration
 20 projects for the promotion of the state's visitor industry and the development
 21 of new tourism destination markets; and

22 (J) administering grants under AS 44.33.135.

23 * **Sec. 59.** AS 44.33.135(a) is amended to read:

24 (a) A municipality, a nonprofit corporation formed under AS 10.20, or a bona
 25 fide nonprofit civic, fraternal, or service organization may receive, as a grant, matching
 26 money from the state for up to 50 percent of the costs of a program or project that the
 27 **commissioner of community and economic development** [DIRECTOR OF
 28 TOURISM] determines is consistent with the purposes of AS 44.33.119 and is likely
 29 to promote or develop visitor travel, including

30 (1) the promotion of conventions;

31 (2) the construction, improvement, or operation of visitor destination

1 facilities and tourist attractions; and

2 (3) the development and preservation of attractions of historical,
3 contemporary, recreational, or cultural interest.

4 * **Sec. 60.** AS 44.33.705(a) is amended to read:

5 (a) Unless the commissioner contracts with a qualified trade association under
6 (b) of this section, the governing body of the council is a board of directors consisting
7 of [THE DIRECTOR OF TOURISM,] the commissioner of community
8 [COMMERCE] and economic development [,] and the commissioners
9 [COMMISSIONER] of two other [ANOTHER] principal executive departments
10 [DEPARTMENT] designated by the governor.

11 * **Sec. 61.** AS 44.33.705(c) is amended to read:

12 (c) If the commissioner contracts with a qualified trade association under (b)
13 of this section, the governing body of the council is a board of directors consisting of
14 21 members and subject to the following provisions:

15 (1) a board member shall

16 (A) be involved in a visitor or recreation industry business;

17 (B) have training in a field such as marketing;

18 (C) be an officer or a senior staff member of a local
19 government or nonprofit enterprise established to promote the visitor industry;
20 or

21 (D) have business or government experience that would
22 materially enhance the member's ability to contribute to the planning,
23 execution, or evaluation of a visitor industry promotional marketing campaign;

24 (2) the contract shall provide that the trade association may select up
25 to 10 board members; the governor may remove a member of the board selected under
26 this paragraph on the delivery by the governor to the board of a written statement
27 explaining the reasons for the removal;

28 (3) the commissioner of community and economic development
29 [DIRECTOR OF TOURISM] is a member of the board; the governor shall appoint 10
30 other board members; each board member appointed by the governor serves at the
31 pleasure of the governor; in making appointments to the board under this paragraph,

1 the governor shall ensure that the board, including members selected under (2) of this
 2 subsection, is broadly representative of the different regions of the state and the
 3 various sectors of the visitor industry;

4 (4) eleven members of the board constitute a quorum for the transaction
 5 of business and the exercise of the powers and duties of the board, and any action by
 6 the board requires 11 affirmative votes;

7 (5) the governor shall appoint a member of the board to serve as
 8 presiding officer of the board; the board shall elect other necessary officers from
 9 among its members annually;

10 (6) a board member may not participate or vote by proxy;

11 (7) the board shall meet at least four times a year at the call of the
 12 presiding officer or upon the written request of seven members of the board;

13 (8) the members of the board appointed by the governor serve
 14 staggered three-year terms, subject to continuation of the contract, and may be
 15 reappointed;

16 (9) a person appointed to fill a vacancy on the board holds office for
 17 the balance of the term of the person's predecessor;

18 (10) board members receive no salary for serving in that position, but
 19 are entitled to per diem and travel expenses under AS 39.20.180, except as provided
 20 in AS 44.33.733; the contract must provide that the trade association will reimburse
 21 the council for per diem and travel expenses paid to those board members appointed
 22 by the trade association; reimbursement under this paragraph does not qualify as a part
 23 of the association's required contribution under (b) of this section;

24 (11) notwithstanding AS 39.52, a board member who is a member of
 25 the qualified trade association that has contracted with the department under (b) of this
 26 section may vote or take action on a matter that might benefit the trade association or
 27 members of the trade association, including the issuance of contracts or the granting
 28 of rights to the trade association, but shall disclose the person's membership in the
 29 trade association before the vote or action; this paragraph may not be interpreted to
 30 allow a board member or an immediate family member of a board member to receive,
 31 apply for, be a party to, have a personal or financial interest in, or attempt to acquire

a grant or contract made by the council; in this paragraph, "immediate family member" has the meaning given in AS 39.52.960.

* **Sec. 62.** AS 44.33.720(a) is amended to read:

(a) The council shall

(1) conduct a tourism marketing program designed to accomplish the purposes of AS 44.33.700 - 44.33.735; the marketing program must include promotion of the state as a destination and promotion of all forms of travel to the state, including travel by air, highway, and water;

(2) prepare and implement plans for the promotion of Alaska tourism, including necessary research;

(3) submit an annual report to the governor describing the activities of the council and notify the legislature that the report is available;

(4) make available to all interested persons, including tourism businesses, a quarterly report of the council's actions and activities;

(5) annually submit a proposed operating budget to the commissioner, to be used by the Department of **Community** [COMMERCE] and Economic Development to prepare and submit the operating budget of the council under AS 44.33.725;

(6) provide advice, on the request of the **commissioner of community and economic development** [DIRECTOR OF TOURISM], on the programs of the **Department of Community and Economic Development that relate to tourism** [DIVISION];

(7) prepare a report by the 10th day of each regular session of the legislature, describing how the contractual money was spent in the first half of the year and explaining the plan for expenditures during the second half of the year; the council shall notify the legislature that the report is available;

(8) consider methods to fund tourism marketing using both public and private assets; and

(9) consider methods of providing for the financial self-sufficiency of the council.

* **Sec. 63.** AS 44.33 is amended by adding new sections to read:

Article 7A. Rural Development.

Sec. 44.33.740. Powers and duties. To promote development of rural areas of the state, the department is authorized to

(1) investigate social and economic conditions of rural areas to determine the need to expand economic opportunities and improve living conditions;

(2) formulate a coordinated program to broaden and diversify the economic base of rural areas;

(3) coordinate administration of emergency relief, surplus food distribution, or other public assistance programs, except the regular relief and assistance programs of the federal government in rural areas;

(4) formulate and conduct a program of construction of basic facilities to improve health, welfare, and economic security and provide employment and income in the rural areas;

(5) promote training and educational programs designed to expand employment opportunities for residents of rural areas;

(6) enter into agreements with other state agencies and departments to provide for the distribution in rural communities of surplus electrical power from state-owned power sources located in those communities and to expend funds for this purpose;

(7) make grants to communities for bulk fuel storage facilities;

(8) cooperate with the Department of Environmental Conservation and other agencies to provide technical assistance to communities in the installation, operation, and management of bulk fuel storage facilities.

Sec. 44.33.745. Limitations. A program of the department under AS 44.33.740 in a rural area may not exceed \$100,000 in cost a year.

Sec. 44.33.750. Bulk fuel storage facilities grant fund. (a) There is established in the department the bulk fuel storage facilities grant fund. Grants may be made by the department from this fund to a community to acquire and install community bulk storage facilities.

(b) Grants made under this section for the acquisition and installation of a bulk fuel storage facility may not exceed \$100,000 per community.

(c) If the governing body of two or more communities determine that their fuel requirements may be served by a single bulk fuel storage facility, the communities may jointly apply for grants to acquire and install a single bulk fuel storage facility. When communities apply jointly under this subsection, the limitation in (b) of this section is multiplied by the number of communities that submit the joint application.

(d) Before a grant is made under this section, the city council or, if the community is not incorporated, a reasonable representative body in the community shall agree in writing to maintain and operate the bulk storage facility to be constructed with the proceeds of the grant.

Sec. 44.33.755. Land conveyed in trust. (a) The commissioner

(1) shall accept, administer, and dispose of land conveyed to the state in trust by village corporations under 43 U.S.C. 1613(c)(3) (Sec. 14(c)(3) of the Alaska Native Claims Settlement Act) for the purposes specified in that section;

(2) may, with the concurrence of an appropriate village entity recognized by the commissioner under (b) of this section or, in the absence of an appropriate village entity, under procedures prescribed by regulations of the commissioner, accept, administer, and dispose of land conveyed in trust by a state or federal agency and by the dissolution of a municipality under AS 29.06.450 - 29.06.530.

(b) Transfer of land by sale, lease, right-of-way, easement, or permit, including transfer of surface resources, may be made by the commissioner only after approval of an appropriate village entity such as the traditional council, a village meeting, or a village referendum. This approval shall be by resolution filed with the department.

(c) Within one complete state fiscal year after the incorporation of a municipality in the village or of a municipality that includes all or part of the village, land acquired under this section shall be conveyed without cost to the municipality, and the municipality shall succeed to all the entrusted interest in the land.

(d) Separate accounts shall be maintained in the name of each village for the land, including the revenue from the land, acquired from each village corporation under this section.

(e) Upon the conveyance of land to a municipality under this section, the

1 commissioner shall account to the municipality for all profits including interest
 2 generated from the land. The municipality may then request the governor to submit
 3 a request to the legislature for an appropriation for the amount due the municipality.

4 (f) Title to or an interest in land acquired by the department under this section
 5 may not be acquired by adverse possession or prescription. Notwithstanding (a) - (e)
 6 of this section, on the dissolution of a municipality under AS 29.06.450 - 29.06.530,
 7 unimproved land that was owned by the municipality on the date of its dissolution and
 8 received by the municipality from the state under a municipal land grant entitlement
 9 program is transferred to the commissioner of natural resources.

10 (g) For the purposes of this section, "municipality" includes only first and
 11 second class cities incorporated under the laws of the state.

12 **Sec. 44.33.760. Loan information officers.** (a) The department may provide
 13 itinerant loan information officers to serve persons who reside outside the major
 14 population centers of the state.

15 (b) The loan information officers shall be trained, to the extent that the
 16 department considers necessary, in a program administered by the department and
 17 approved by the Alaska Housing Finance Corporation, the Alaska Industrial
 18 Development and Export Authority, and the principal departments of the executive
 19 branch that administer loan programs.

20 (c) A majority of the loan information officers shall be persons who are
 21 conversant in Alaska Native languages that are spoken by a significant number of
 22 Alaska Natives. The department shall provide brochures and other printed materials,
 23 written in easily understandable English and in the Alaska Native languages that are
 24 spoken by a significant number of Alaska Natives, for distribution by the loan
 25 information officers. The brochures and printed materials must explain the purposes
 26 of the various state loan programs, the minimum qualifications under the programs, the
 27 method for obtaining assistance in the completion of applications for the programs, and
 28 other information the department determines will improve the access of persons in
 29 rural areas to the state's loan programs.

30 (d) The department shall coordinate its efforts under this section with local
 31 financial institutions and community groups to determine the proper itinerary and travel

1 schedule of the loan information officers and to provide adequate notice to persons in
2 rural areas of the itinerary and travel schedule of the loan information officers.

3 (e) The department shall assign the loan information officers to rural areas
4 based on the current and potential future demands for loans in those areas and shall
5 establish offices for the loan information officers in rural areas if the department
6 determines it is necessary to provide familiarity with the area served by the loan
7 information officers and to reduce travel costs.

8 **Sec. 44.33.765. Rural development initiative fund.** (a) The rural
9 development initiative fund is created in the department. Unless provided otherwise
10 in the appropriation act, an appropriation to the fund is retained in the fund for use
11 under AS 44.33.765 - 44.33.775 and does not lapse at the end of a fiscal year. Each
12 year the commissioner shall request an appropriation to the fund of interest and other
13 income earned on loans or investments of the fund. Money in the fund may be
14 appropriated for costs of administering AS 44.33.765 - 44.33.775.

15 (b) The commissioner may place money from the fund into a special reserve
16 account as necessary. The commissioner may use money in the account to protect the
17 state's security interest in collateral on loans made from the fund, to protect the state's
18 interests in investments made from the fund, or to defray expenses incurred during
19 foreclosure or other legal proceedings involving loans or investments made from the
20 fund.

21 (c) The commissioner may use money from the fund to provide for loan
22 information officers under AS 44.33.760.

23 **Sec. 44.33.770. Rural development loans.** (a) The department may use
24 money from the rural development initiative fund to make a loan of up to \$100,000
25 to a person, or a loan of up to \$200,000 to two or more persons, to be used for
26 working capital, equipment, construction, or other commercial purposes by a business
27 located in a community with a population of 5,000 or less. A person who has received
28 a loan under this subsection may not be granted another loan until after the original
29 loan is entirely repaid.

30 (b) The department shall require collateral for each loan made under this
31 section and shall require that a reasonable amount of money from other nonstate

sources be committed for use on any project or enterprise for which money from a loan will be used. The department by regulation may establish other conditions for loans. The department shall by regulation establish rates of interest that are not less than six percent a year and terms of repayment for loans made under this section.

Sec. 44.33.775. Disposal of property acquired by default or foreclosure.

The department shall dispose of property acquired through default or foreclosure of a loan made from the rural development initiative fund. Disposal shall be made in a manner that serves the best interests of the state, and may include the amortization of payments over a period of years. The commissioner shall request an appropriation to the fund of proceeds from disposal of property under this section.

Sec. 44.33.780. Definitions. In AS 44.33.740 - 44.33.780,

(1) "commissioner" means the commissioner of community and economic development;

(2) "department" means the Department of Community and Economic Development.

Article 7B. Planning Assistance.

Sec. 44.33.781. Planning assistance for development and maintenance of district coastal management programs. (a) The department shall conduct a program of research, training, and technical assistance to coastal resource districts necessary for the development and implementation of district coastal management programs under AS 46.40. The technical assistance shall include the direct granting to the coastal resource districts of a portion of any funds received by the state from the federal coastal zone management program, in amounts to be individually determined for each coastal resource district by the commissioner of community and economic development. State agencies shall assist the department in carrying out the purposes of this section.

Sec. 44.33.782. Planning assistance to platting authorities. To facilitate planning in municipalities that exercise planning and zoning authority, the department may provide planning assistance, including but not limited to surveys, land use studies, urban renewal plans, technical services, model acts that include regulations designed to encourage development and use of energy systems not dependent on oil or gas, and

other planning work to a city, borough, or other platting authority. In an area under the jurisdiction, for planning purposes, of a city, borough, or other platting authority, the department may not perform the planning work except at the request or with the consent of the local authority.

Sec. 44.33.784. Assistance by cities and platting authorities. A city or platting authority may make funds under its control available to the department for the purposes of obtaining planning work or planning assistance, or both, for its area. The department may contract for, accept, and expend the funds for urban planning for the local jurisdiction.

Sec. 44.33.786. Land use planning and state facility procurement plan. The department shall make recommendations to the Department of Transportation and Public Facilities and to appropriate program agencies concerning the effect upon the comprehensive plan or other land use plans or proposals of municipalities and unincorporated communities with respect to the facility procurement plan required to be prepared in accordance with AS 35.10.170.

Sec. 44.33.788. Other planning powers. The department may accept and expend grants from the federal government and other public or private sources, may contract with reference to them, and may enter into contracts and exercise all other powers necessary to carry out AS 44.33.781 - 44.33.788.

Sec. 44.33.790. Definition. In AS 44.33.782 - 44.33.790, "department" means the Department of Community and Economic Development.

* **Sec. 64.** AS 44.33 is amended by adding new sections to read:

Article 8A. Local Boundary Commission.

Sec. 44.33.810. Local Boundary Commission. There is in the Department of Community and Economic Development a Local Boundary Commission. The Local Boundary Commission consists of five members appointed by the governor for overlapping five-year terms. One member shall be appointed from each of the four judicial districts described in AS 22.10.010 and one member shall be appointed from the state at large. The member appointed from the state at large is the chair of the commission.

Sec. 44.33.812. Powers and duties. (a) The Local Boundary Commission

1 shall

2 (1) make studies of local government boundary problems;

3 (2) adopt regulations providing standards and procedures for municipal
4 incorporation, annexation, detachment, merger, consolidation, reclassification, and
5 dissolution;

6 (3) consider a local government boundary change requested of it by the
7 legislature, the commissioner of community and economic development, or a political
8 subdivision of the state; and

9 (4) develop standards and procedures for the extension of services and
10 ordinances of incorporated cities into contiguous areas for limited purposes upon
11 majority approval of the voters of the contiguous area to be annexed and prepare
12 transition schedules and prorated tax mill levies as well as standards for participation
13 by voters of these contiguous areas in the affairs of the incorporated cities furnishing
14 services.

15 (b) The Local Boundary Commission may

16 (1) conduct meetings and hearings to consider local government
17 boundary changes and other matters related to local government boundary changes,
18 including extensions of services by incorporated cities into contiguous areas and
19 matters related to extension of services; and

20 (2) present to the legislature during the first 10 days of a regular
21 session proposed local government boundary changes, including gradual extension of
22 services of incorporated cities into contiguous areas upon a majority approval of the
23 voters of the contiguous area to be annexed and transition schedules providing for total
24 assimilation of the contiguous area and its full participation in the affairs of the
25 incorporated city within a period not to exceed five years.

26 **Sec. 44.33.814. Meetings and hearings.** The chair of the commission or the
27 commissioner of community and economic development with the consent of the chair
28 may call a meeting or hearing of the Local Boundary Commission. All meetings and
29 hearings shall be public.

30 **Sec. 44.33.816. Minutes and records.** The Local Boundary Commission shall
31 keep minutes of all meetings and hearings. If the proceedings are transcribed, minutes

1 shall be made from the transcription. The minutes are a public record. All votes taken
2 by the commission shall be entered in the minutes.

3 **Sec. 44.33.818. Notice of public hearings.** Public notice of a hearing of the
4 Local Boundary Commission shall be given in the area in which the hearing is to be
5 held at least 15 days before the date of the hearing. The notice of the hearing must
6 include the time, date, place, and subject of the hearing. The commissioner of
7 community and economic development shall give notice of the hearing at least three
8 times in the press, through other news media, or by posting in a public place,
9 whichever is most feasible.

10 **Sec. 44.33.820. Quorum.** Three members of the commission constitute a
11 quorum for the conduct of business at a meeting. Two members constitute a quorum
12 for the conduct of business at a hearing.

13 **Sec. 44.33.822. Boundary change.** A majority of the membership of the
14 Local Boundary Commission must vote in favor of a proposed boundary change before
15 it may be presented to the legislature.

16 **Sec. 44.33.824. Expenses.** Members of the Local Boundary Commission
17 receive no pay but are entitled to the travel expenses and per diem authorized for
18 members of boards and commissions under AS 39.20.180.

19 **Sec. 44.33.826. Hearings on boundary changes.** A local government
20 boundary change may not be proposed to the legislature unless a hearing on the change
21 has been held in or in the near vicinity of the area affected by the change.

22 **Sec. 44.33.828. When boundary change takes effect.** When a local
23 government boundary change is proposed to the legislature during the first 10 days of
24 any regular session, the change becomes effective 45 days after presentation or at the
25 end of the session, whichever is earlier, unless disapproved by a resolution concurred
26 in by a majority of the members of each house.

27 **Article 8B. Borough Feasibility Studies.**

28 **Sec. 44.33.840. Borough feasibility studies.** The commissioner may contract
29 for studies of the feasibility of establishing boroughs in the unorganized borough. A
30 study may be conducted under this section only if

31 (1) appropriations are available for that purpose; and

(2) the study is requested by a person residing in the area to be studied or by a city located in the area to be studied.

Sec. 44.33.842. Requests for studies. A request for a study of the feasibility of establishing a borough in the unorganized borough shall be submitted to the commissioner in writing and must include

(1) a description of the boundaries of the area of the proposed study; and

(2) an indication of local interest in the proposed study consisting of either

(A) a petition requesting the study containing the signatures and addresses of five percent of the voters residing in the area of the proposed study based on the number of voters who voted in the area in the last statewide election; or

(B) resolutions requesting the study adopted by the governing bodies of at least five percent of the cities within the area of the proposed study.

Sec. 44.33.844. Boundaries. The boundaries of an area studied shall conform to the boundaries indicated in the request for the study under AS 44.33.842 unless the commissioner, after a public hearing held in the area of the proposed study, determines that the boundaries should be altered. In determining the boundaries of an area to be studied, the commissioner shall consider

(1) the standards applicable to the incorporation of boroughs under AS 29.05.031;

(2) boundaries of regional corporations established under 43 U.S.C. 1606;

(3) census divisions of the state used for the 1980 census;

(4) boundaries of the regional educational attendance areas established under AS 14.08.031; and

(5) boundaries of coastal resource service areas organized under AS 46.40.110 - 46.40.210.

Sec. 44.33.846. Contracts. (a) The commissioner shall contract for a study

1 of the feasibility of establishing a borough in the unorganized borough by following
 2 the procedures under AS 36.30 (State Procurement Code). The commissioner shall
 3 include terms in the contract that provide for

4 (1) public participation in the preparation of the study;
 5 (2) completion of the study not later than June 30 of the third year after
 6 the year the contract is executed.

7 (b) A study under this section must include

8 (1) a recommendation for or against incorporation of a borough
 9 containing all or part of the area studied;

10 (2) an evaluation of the economic development potential of the area
 11 studied;

12 (3) an evaluation of capital facility needs of the area studied;

13 (4) an evaluation of demographic, social, and environmental factors
 14 affecting the area studied;

15 (5) an evaluation of the relationships among regional educational
 16 attendance areas, coastal resource service areas, and other regional entities responsible
 17 for providing services in the area studied;

18 (6) an evaluation of the relationships between the existing cities within
 19 the area studied and regional entities responsible for providing services in the area; and

20 (7) specific recommendations for

21 (A) organization of a home rule or general law borough
 22 government if one is recommended;

23 (B) changes in organization of cities in the area studied; or

24 (C) the improvement of the delivery of services to the public
 25 by the state in the area studied.

26 **Sec. 44.33.849. Definition.** In AS 44.33.840 - 44.33.849, "commissioner"
 27 means the commissioner of community and economic development.

28 **Article 8C. Alaska Regional Economic Assistance Program.**

29 **Sec. 44.33.895. Alaska regional economic assistance program.** (a) The
 30 department shall

31 (1) encourage the formation of regional development organizations by

1 providing assistance in forming organizations to interested individuals, including
 2 information on how to qualify and apply for regional development grants and federal
 3 funding under 42 U.S.C. 3121 - 3246 (Public Works and Economic Development Act
 4 of 1965), as amended;

5 (2) assist an interested individual in establishing boundaries for a
 6 proposed organization to ensure that the region

7 (A) is of sufficient geographic size and contains a large enough
 8 population to form an economically viable unit with shared interests, resources,
 9 traditions, and goals;

10 (B) contains at least one municipality that serves as a regional
 11 center; and

12 (C) contains the entire area of each municipality included in the
 13 region;

14 (3) gather information about regional economic issues, international
 15 trade, and tourism from organizations;

16 (4) serve as liaison between organizations and other state agencies and
 17 encourage other agencies to make resources available to help accomplish goals of the
 18 organizations;

19 (5) assist each organization to

20 (A) provide services designed to encourage economic
 21 development to local communities and businesses;

22 (B) collect and distribute economic information relevant to the
 23 region;

24 (C) participate in state marketing campaigns and join state trade
 25 missions that are relevant to the region; and

26 (D) develop and implement strategies to attract new industry,
 27 expand international trade opportunities, and encourage tourism within the
 28 region.

29 (b) Subject to (c) of this section, the department may make regional
 30 development grants to organizations for projects the department determines will be of
 31 value in encouraging economic development. During a fiscal year, the department may

1 make no more than 15 grants and may only make grants to one organization from a
 2 particular region. An organization that is designated an economic development district
 3 under 42 U.S.C. 3171 qualifies for grants under this subsection. The department shall
 4 by regulation adopt procedures for applying for regional development grants, including
 5 application deadlines. The department may by regulation establish additional grant
 6 eligibility requirements.

7 (c) To qualify for a grant, a regional development organization must match the
 8 grant by providing an amount of money from nonstate sources. The department shall
 9 establish by regulation a formula that determines the amount of the match required
 10 under this subsection based on the capability of each organization to generate money
 11 from nonstate sources. The amount of match required may not exceed the amount of
 12 grant money and may not be less than 20 percent of the grant. The total amount of
 13 grant money provided to an organization during a fiscal year may not exceed
 14 \$100,000.

15 (d) There is established in the department the regional development fund
 16 consisting of appropriations to the fund. Money from the fund may be used only for
 17 regional development grants.

18 (e) In this section,

19 (1) "department" means the Department of Community and Economic
 20 Development;

21 (2) "regional development organization" or "organization" means a
 22 nonprofit organization or nonprofit corporation formed to encourage economic
 23 development within a particular region of the state that includes the entire area of each
 24 municipality within that region and that has a board of directors that represents the
 25 region's economic, political, and social interests.

26 * **Sec. 65.** AS 44.62.330(a)(24) is amended to read:

27 (24) Department of Health and Social Services **and Department of**
 28 **Education and Early Development**, relating to denial, involuntary conditioning, or
 29 revocation of a license issued under **AS 14.37 or** AS 47.35, or suspension of
 30 operations or admissions or assessment of an administrative fine under **AS 14.37 or**
 31 AS 47.35;

1 * **Sec. 66.** AS 44.83.070 is amended to read:

2 **Sec. 44.83.070. Purpose of the authority.** The purpose of the authority is to
3 promote, develop, and advance the general prosperity and economic welfare of the
4 people of the state by providing a means of financing and operating power projects and
5 facilities that recover and use waste energy **and by carrying out the powers and**
6 **duties assigned to it under AS 42.45.**

7 * **Sec. 67.** AS 44.83.080 is amended to read:

8 **Sec. 44.83.080. Powers of the authority.** In furtherance of its corporate
9 purposes, the authority has the following powers in addition to its other powers:

- 10 (1) to sue and be sued;
- 11 (2) to have a seal and alter it at pleasure;
- 12 (3) to make and alter bylaws for its organization and internal
13 management;
- 14 (4) to adopt regulations governing the exercise of its corporate powers;
- 15 (5) to improve, equip, operate, and maintain power projects;
- 16 (6) to issue bonds to carry out any of its corporate purposes and
17 powers, including the establishment or increase of reserves to secure or to pay the
18 bonds or interest on them, and the payment of all other costs or expenses of the
19 authority incident to and necessary or convenient to carry out its corporate purposes
20 and powers;
- 21 (7) to sell, lease as lessor or lessee, exchange, donate, convey, or
22 encumber in any manner by mortgage or by creation of any other security interest, real
23 or personal property owned by it, or in which it has an interest, when, in the judgment
24 of the authority, the action is in furtherance of its corporate purposes;
- 25 (8) to accept gifts, grants, or loans from, and enter into contracts or
26 other transactions regarding them, with any person;
- 27 (9) to deposit or invest its funds, subject to agreements with
28 bondholders;
- 29 (10) to enter into contracts with the United States or any person and,
30 subject to the laws of the United States and subject to concurrence of the legislature,
31 with a foreign country or its agencies, for the financing, operation, and maintenance

of all or any part of a power project, either inside or outside the state, and for the sale or transmission of power from a project or any right to the capacity of it or for the security of any bonds of the authority issued or to be issued for the project;

(11) to enter into contracts with any person and with the United States, and, subject to the laws of the United States and subject to the concurrence of the legislature, with a foreign country or its agencies for the purchase, sale, exchange, transmission, or use of power from a project, or any right to the capacity of it;

(12) to apply to the appropriate agencies of the state, the United States, and to a foreign country and any other proper agency for the permits, licenses, or approvals as may be necessary, and to maintain and operate power projects in accordance with the licenses or permits, and to obtain, hold, and use the licenses and permits in the same manner as any other person or operating unit;

(13) to enter into contracts or agreements with respect to the exercise of any of its powers, and do all things necessary or convenient to carry out its corporate purposes and exercise the powers granted in this chapter;

(14) to recommend to the legislature

(A) the pledge of the credit of the state to guarantee repayment of all or any portion of revenue bonds issued to assist in construction of power projects;

(B) an appropriation from the general fund

(i) for debt service on bonds or other project purposes;

or

(ii) to reduce the amount of debt financing for the project;

(15) to carry out the powers and duties assigned to it under

AS 42.45.

* **Sec. 68.** AS 46.03.900(33) is amended to read:

(33) "village" means a place within the unorganized borough or within a borough as to a power, function, or service that is not exercised or provided by the borough on an areawide or nonareawide basis that

(A) has irrevocably waived, in a form approved by the

Department of Law, any claim of sovereign immunity that might arise under this chapter; and

(B) has

(i) a council organized under 25 U.S.C. 476 (sec. 16 of the Indian Reorganization Act);

(ii) a traditional village council recognized by the United States as eligible for federal aid to Indians; or

(iii) a council recognized by the commissioner of community and **economic development** [REGIONAL AFFAIRS] under regulations adopted by the Department of Community and **Economic Development** [REGIONAL AFFAIRS] to determine and give official recognition of village entities under **AS 44.33.755(b)** [AS 44.47.150(b)];

* **Sec. 69.** AS 46.04.900(22) is amended to read:

(22) "village" means a place within the unorganized borough or within a borough as to a power, function, or service that is not exercised or provided by the borough on an areawide or nonareawide basis that

(A) has irrevocably waived, in a form approved by the Department of Law, any claim of sovereign immunity that might arise under this chapter; and

(B) has

(i) a council organized under 25 U.S.C. 476 (sec. 16 of the Indian Reorganization Act);

(ii) a traditional village council recognized by the United States as eligible for federal aid to Indians; or

(iii) a council recognized by the commissioner of community and **economic development** [REGIONAL AFFAIRS] under regulations adopted by the Department of Community and **Economic Development** [REGIONAL AFFAIRS] to determine and give official recognition of village entities under **AS 44.33.755(b)** [AS 44.47.150(b)];

* **Sec. 70.** AS 46.08.900(16) is amended to read:

(16) "village" means a place within the unorganized borough or within

a borough if the power, function, or service for which a grant application under AS 29.60.510 is submitted is not exercised or provided by the borough on an areawide or nonareawide basis at the time the grant application is submitted that

(A) has irrevocably waived, in a form approved by the Department of Law, any claim of sovereign immunity that might arise in connection with the use of grant money under this chapter; and

(B) has

(i) a council organized under 25 U.S.C. 476 (sec. 16 of the Indian Reorganization Act);

(ii) a traditional village council recognized by the United States as eligible for federal aid to Indians; or

(iii) a council recognized by the commissioner of community and **economic development** [REGIONAL AFFAIRS] under regulations adopted by the Department of Community and **Economic Development** [REGIONAL AFFAIRS] to determine and give official recognition of village entities under **AS 44.33.755(b)** [AS 44.47.150(b)].

* **Sec. 71.** AS 46.40.170(b) is amended to read:

(b) At the request of the council, the Department of Community and **Economic Development** [REGIONAL AFFAIRS] shall complete the district coastal management program in accordance with this chapter and the guidelines and standards adopted by the council for a coastal resource service area **that** [WHICH] has been organized but **that** [WHICH] has failed to make substantial progress in the preparation of an approvable district coastal management program within 18 months of certification of the results of an organization election or **that** [WHICH] has not submitted for approval to the council a program within 30 months of certification of the results of its organization election. Preparation of the program shall be conducted in consultation with the coastal resource service area and shall, to the maximum extent consistent with this chapter, reflect the expressed concerns of the residents of the service area.

* **Sec. 72.** AS 46.40.190(a) is amended to read:

(a) A city within the coastal area **that** [WHICH] is not part of a coastal resource service area shall be included for purposes of this chapter within an adjacent

coastal resource service area unless its governing body, by resolution adopted by a majority of its membership, chooses to exclude the city from an adjacent coastal resource service area and a copy of the resolution is filed with the commissioner of community and economic development [REGIONAL AFFAIRS].

* **Sec. 73.** AS 46.40.210(2) is amended to read:

(2) "coastal resource district" means each of the following that [WHICH] contains a portion of the coastal area of the state:

(A) unified municipalities;

(B) organized boroughs of any class that [WHICH] exercise planning and zoning authority;

(C) home rule and first class cities of the unorganized borough or within boroughs that [WHICH] do not exercise planning and zoning authority;

(D) second class cities of the unorganized borough, or within boroughs that [WHICH] do not exercise planning and zoning authority, that [WHICH] have established a planning commission, and that [WHICH], in the opinion of the commissioner of community and economic development [REGIONAL AFFAIRS], have the capability of preparing and implementing a comprehensive district coastal management program under AS 46.40.030;

(E) coastal resource service areas established and organized under AS 29.03.020 and AS 46.40.110 - 46.40.180;

* **Sec. 74.** AS 47.05.030(a) is amended to read:

(a) Except as provided in (b) of this section and for purposes directly connected with the administration of general assistance, adult public assistance, the day care assistance program authorized under AS 14.38.100 - 14.38.199 [AS 44.47.250 - 44.47.310], or the Alaska temporary assistance program, and in accordance with the regulations of the department, a person may not solicit, disclose, receive, make use of, or authorize, knowingly permit, participate in, or acquiesce in the use of, a list of or names of, or information concerning, persons applying for or receiving the assistance directly or indirectly derived from the records, papers, files, or communications of the department or subdivisions or agencies of the department, or acquired in the course of

1 the performance of official duties.

2 * **Sec. 75.** AS 47.27.060 is amended to read:

3 **Sec. 47.27.060. Job development.** The department may establish cooperative
4 agreements with the Department of Labor and Workforce Development,
5 [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS,] Department of
6 Education and Early Development, and Department of Community [COMMERCE]
7 and Economic Development, and with other public or private sector organizations for
8 the purpose of developing job, training, and educational opportunities for families
9 eligible for assistance under this chapter.

10 * **Sec. 76.** AS 47.27.900(2) is amended to read:

11 (2) "child care assistance" means payments made by the Department
12 of Health and Social Services or the Department of Education and Early
13 Development [COMMUNITY AND REGIONAL AFFAIRS] to Alaska temporary
14 assistance program participant families or to providers for the care of children of the
15 participant families;

16 * **Sec. 77.** AS 47.35.005(a) is amended to read:

17 (a) The purpose of this chapter is to establish and maintain standard levels for
18 services offered to children in [CHILD CARE FACILITIES,] foster homes [,] and
19 residential child care facilities; services offered by child placement agencies; and
20 services offered to pregnant individuals in maternity homes. [THE LEGISLATURE
21 RECOGNIZES THE RESPONSIBILITY OF PARENTS TO SELECT AND
22 MONITOR CAREGIVERS FOR THEIR CHILDREN IN ORDER TO ENSURE A
23 REASONABLY SAFE AND DEVELOPMENTALLY APPROPRIATE CHILD CARE
24 ENVIRONMENT.] The community care licensing procedures in this chapter are
25 intended to reduce predictable risk of harm to children and to provide support services
26 to those providing child care or services.

27 * **Sec. 78.** AS 47.35.010(a) is amended to read:

28 (a) The department may
29 (1) license and supervise foster homes, [CHILD CARE FACILITIES,]
30 residential child care facilities, semi-secure residential child care facilities, secure
31 residential psychiatric treatment centers, child placement agencies, and maternity

homes;

(2) investigate applicants, licensees, and persons that the department reasonably believes are operating a facility without a license in violation of this chapter;

(3) adopt regulations to implement the provisions of this chapter, including regulations establishing licensure and renewal procedures, standards, and fees; establishing requirements for operation of facilities or agencies licensed under this chapter; and distinguishing between types of [CHILD CARE] facilities;

(4) enter into agreements with private entities, municipalities, or individuals to investigate and make recommendations to the department for the licensing and supervision of foster homes, [CHILD CARE FACILITIES,] residential child care facilities, semi-secure residential child care facilities, secure residential psychiatric treatment centers, child placement agencies, and maternity homes under procedures and standards of operation established by the department.

* **Sec. 79.** AS 47.35.017(a) is amended to read:

(a) Application for a license to operate a foster home, [CHILD CARE FACILITY,] residential child care facility, semi-secure residential child care facility, secure residential psychiatric treatment center, child placement agency, or maternity home shall be made to the department on a form provided by the department and shall be accompanied by any applicable fees established by the department under AS 47.35.010(a)(3).

* **Sec. 80.** AS 47.35.900(10) is amended to read:

(10) "facility" means the administration, program, and physical plant of a foster home, [CHILD CARE FACILITY,] residential child care facility, or maternity home;

* **Sec. 81.** AS 47.80.300 is amended to read:

Sec. 47.80.300. Statewide independent living council. There is established the Statewide Independent Living Council. For budgetary purposes, the council is located in the Department of Labor and Workforce Development [EDUCATION]. The Department of Labor and Workforce Development [EDUCATION] shall provide reasonable and necessary professional and technical assistance when requested by the

1 council.

2 * **Sec. 82.** AS 47.90.040 is amended to read:

3 **Sec. 47.90.040. Consultation and coordination.** The commissioner shall
 4 consult and cooperate with the Department of Health and Social Services; the
 5 Department of Education **and Early Development**; [, INCLUDING] the **director of**
 6 **the** division of vocational rehabilitation; the University of Alaska, community colleges,
 7 and other colleges as appropriate; [THE DEPARTMENT OF LABOR, INCLUDING
 8 THE DIVISION OF EMPLOYMENT SECURITY;] and other persons or agencies that
 9 the commissioner considers appropriate in the implementation of this chapter.

10 * **Sec. 83.** AS 47.90.070(1) is amended to read:

11 (1) "commissioner" means the commissioner of **labor and workforce**
 12 **development** [COMMUNITY AND REGIONAL AFFAIRS];

13 * **Sec. 84.** REPEALER. AS 23.15.070, 23.15.210(4), 23.15.611, 23.15.614;
 14 AS 23.20.130(d)(3); AS 39.25.120(c)(21); AS 42.45.020(b)(1), 42.45.030, 42.45.990(1);
 15 AS 44.17.005(17); AS 44.33.120(a); AS 44.47.010, 44.47.020, 44.47.050, 44.47.051,
 16 44.47.055, 44.47.080, 44.47.090, 44.47.092, 44.47.095, 44.47.100, 44.47.130, 44.47.140,
 17 44.47.145, 44.47.150, 44.47.155, 44.47.250, 44.47.260, 44.47.270, 44.47.280, 44.47.290,
 18 44.47.300, 44.47.305, 44.47.310, 44.47.565, 44.47.567, 44.47.569, 44.47.571, 44.47.573,
 19 44.47.575, 44.47.577, 44.47.579, 44.47.581, 44.47.583, 44.47.700, 44.47.710, 44.47.720,
 20 44.47.730, 44.47.750, 44.47.752, 44.47.754, 44.47.756, 44.47.758, 44.47.760, 44.47.762,
 21 44.47.764, 44.47.766, 44.47.768, 44.47.770, 44.47.772, 44.47.800, 44.47.810, 44.47.820,
 22 44.47.900, 44.47.980, 44.47.998; and AS 45.90.020(b) are repealed.

23 * **Sec. 85.** REPEALER. AS 44.19.620, 44.19.621, 44.19.622, 44.19.623, 44.19.624,
 24 44.19.625, 44.19.626, 44.19.627; AS 44.29.020(a)(14); AS 44.33.895, added by sec. 64 of this
 25 Act; and AS 47.35.010(b), 47.35.015(a), 47.35.043(b), 47.35.900(4), 47.35.900(5) are repealed
 26 July 1, 2000.

27 * **Sec. 86.** TRANSITIONAL PROVISIONS. (a) Litigation, hearings, investigations, and
 28 other proceedings pending under a law repealed or amended by this Act, or in connection with
 29 functions transferred by this Act, continue in effect and may be completed notwithstanding
 30 a transfer or repeal provided for in this Act.

31 (b) Certificates, orders, and regulations in effect immediately before the effective date

1 of a law affected by this Act that were issued or adopted under authority of a law amended
 2 or repealed by this Act remain in effect for the term issued and shall be enforced by the
 3 agency to which the function is transferred under this Act until revoked, vacated, or amended
 4 by the agency to which the function is transferred.

5 (c) Wherever in Alaska Statutes affected by this Act there is a reference to regulations
 6 adopted under a section of law and there are no regulations adopted under that section because
 7 previous regulations adopted under another section are being enforced under (b) of this
 8 section, the reference shall be construed to refer to the previously adopted regulations until
 9 they are amended by the new agency.

10 (d) Contracts, rights, liabilities, and obligations created by or under a law repealed or
 11 amended by this Act, and in effect on the day before the effective date of the repeal or
 12 amendment, remain in effect notwithstanding this Act's taking effect.

13 (e) Records, equipment, appropriations, and other property of an agency of the state
 14 whose functions are transferred under this Act shall be transferred to implement the provisions
 15 of this Act.

16 * **Sec. 87. REGULATIONS.** A department affected by this Act may proceed to adopt
 17 regulations to implement this Act. The regulations take effect under AS 44.62 (Administrative
 18 Procedure Act) but not before the effective date of the corresponding enabling statute.

19 * **Sec. 88. REVISOR'S INSTRUCTION REGARDING DEPARTMENT OF COMMERCE**
 20 **AND ECONOMIC DEVELOPMENT.** Wherever in the Alaska Statutes and the Alaska
 21 Administrative Code the terms "Department of Commerce and Economic Development" and
 22 "commissioner of commerce and economic development" are used, they shall be read,
 23 respectively, as "Department of Community and Economic Development" and "commissioner
 24 of community and economic development" when to do so would be consistent with the
 25 changes made by this Act.

26 * **Sec. 89. REVISOR'S INSTRUCTION REGARDING DEPARTMENT OF EDUCATION.**
 27 Wherever in the Alaska Statutes and the Alaska Administrative Code the terms "Department
 28 of Education" and "commissioner of education" are used, they shall be read, respectively, as
 29 "Department of Education and Early Development" and "commissioner of education and early
 30 development" when to do so would be consistent with the changes made by this Act.

31 * **Sec. 90. REVISOR'S INSTRUCTION REGARDING DEPARTMENT OF LABOR.** (a)

1 Wherever in the Alaska Statutes and the Alaska Administrative Code the terms "Department
 2 of Labor" and "commissioner of labor" are used, they shall be read, respectively, as
 3 "Department of Labor and Workforce Development" and "commissioner of labor and
 4 workforce development" when to do so would be consistent with the changes made by this
 5 Act.

6 * **Sec. 91.** SPECIFIC INSTRUCTIONS TO REVISOR OF STATUTES CONCERNING
 7 SPECIFIC REFERENCES. (a) The revisor of statutes shall change references to "community
 8 and regional affairs" to read "community and economic development" in the following
 9 statutes:

- 10 (1) AS 08.40.190(b)(2)(A), 08.40.390(b)(2)(A);
- 11 (2) AS 14.08.031(a), 14.08.051(a); AS 14.17.410(b)(2), 14.17.410(c)(1),
 12 14.17.410(e)(1)(B), 14.17.490(b), 14.17.510(a);
- 13 (3) AS 15.07.055(a)(3); AS 15.13.010(a)(2);
- 14 (4) AS 18.26.030(a)(3); AS 18.56.030(a)(2), 18.56.097;
- 15 (5) AS 19.30.131(a), 19.30.131(b), 19.30.131(c);
- 16 (6) AS 26.23.071(b);
- 17 (7) AS 28.01.010(b);
- 18 (8) AS 29.60.120(d), 29.60.370(a), 29.60.620(b), 29.60.650(2);
 19 AS 29.65.050(c), 29.65.050(d), 29.65.120; AS 29.71.800(5), 29.71.800(8);
- 20 (9) AS 37.05.317, 37.05.530(c); AS 37.06.010(g), 37.06.020(l), 37.06.030(c);
- 21 (10) AS 41.15.180(a), 41.15.180(b), 41.15.180(f), 41.15.180(g);
- 22 (11) AS 43.75.137; AS 43.77.040(b), 43.77.060(d);
- 23 (12) AS 44.21.200(a)(2); AS 44.85.030, 44.85.320(b);
- 24 (13) AS 46.08.040(a); 46.40.120(b), 46.40.120(d), 46.40.140(c), 46.40.170(a),
 25 46.40.180(a), 46.40.180(d), 46.40.210(5);
- 26 (14) AS 47.18.010(c); AS 47.80.090(8).

27 (b) The revisor of statutes shall change references to "department" to read "authority"
 28 in the following statutes: AS 42.45.010, 42.45.020, 42.45.040, 42.45.050, 42.45.060,
 29 42.45.100, 42.45.110, 42.45.120, 42.45.140, 42.45.160, 42.45.170, 42.45.180, 42.45.200,
 30 42.45.250, 42.45.400, and 42.45.410.

31 * **Sec. 92.** INSTRUCTIONS CONCERNING AS 25.27.244. Notwithstanding sec. 53,

1 ch. 132, SLA 1998, the amendment made to AS 25.27.244(s)(2) by sec. 28 of this Act shall
 2 remain in effect on and after July 1, 2001, unless that amendment is repealed or amended by
 3 a law enacted after the effective date of this bill section.

4 * **Sec. 93.** LOAN COMMITTEE UNDER AS 42.45.060. Notwithstanding
 5 AS 42.45.060(a), as amended by sec. 47 of this Act, all public members on the loan
 6 committee established under AS 42.45.060 whose terms have not expired by July 1, 1999,
 7 may retain their positions on the committee until their terms expire.

8 * **Sec. 94.** IMPLEMENTATION OF SECTIONS 88 - 91 OF THIS ACT. Under
 9 AS 01.05.031, the revisor of statutes shall implement secs. 88 - 91 in the statutes and, under
 10 AS 44.62.125(b)(6), the regulations attorney shall implement secs. 88 - 91 in the
 11 administrative code.

12 * **Sec. 95.** The Department of Labor and Workforce Development and Department of
 13 Community and Economic Development shall perform a detailed evaluation addressing the
 14 administrative, financial, and technical issues regarding the transfer of AS 18.62 and AS 18.63
 15 to the Department of Community and Economic Development, Division of Occupational
 16 Licensing, on July 1, 2000. The department must submit its report to the legislature by
 17 December 1, 1999.

18 * **Sec. 96.** The Department of Labor and Workforce Development and Department of
 19 Public Safety shall perform a detailed evaluation addressing the administrative, financial, and
 20 technical issues regarding the transfer of construction and building inspection duties currently
 21 within the Department of Labor and Workforce Development to the Department of Public
 22 Safety on July 1, 2000. The department must submit its report of this evaluation to the
 23 legislature by December 1, 1999.

24 * **Sec. 97.** Except as provided in secs. 98 and 99 of this Act, this Act takes effect July 1,
 25 1999.

26 * **Sec. 98.** Section 87 of this Act takes effect immediately under AS 01.10.070(c).

27 * **Sec. 99.** The amendment made to AS 14.35.020(b)(5) by sec. 6 of this Act, the
 28 amendment made to AS 44.27.020(3) and (4) by sec. 53 of this Act, and secs. 3, 4, 7, 9 - 13,
 29 23, 25, 27, 28, 46, 65, 77 - 80, and 91 of this Act take effect July 1, 2000.