

## **ETHICS COMMITTEE MEETING**

**January 21, 2015**

### **ITEM 8. Annual Benefit and Loan Review – AS 24.60.050(b)**

## **2014 Review for 2015 Listing in the Standards of Conduct Handbook**

- Pursuant to AS 24.60.050, State Programs and Loans. All state departments were contacted and asked if any state benefit or loan program in their department had been deleted, added, or changed.
  - AS 24.60.050
  - Attached is a “sample” letter and the evaluation form that was mailed to each department on November 5, 2014. All fourteen departments responded.
  - Updates received were applied to the annual list of reportable state benefit or loan programs for 2015, reflecting proposed changes.
  - Reportable programs are those awarded on a discretionary basis or those not generally available to members of the public.
  - Participation in any listed program must be disclosed within 30 days.

### **The following items listed below are proposed changes for 2015:**

- The Department of Commerce, Community, and Economic Development “added” a new loan program under the Alaska Energy Authority:
  - Emerging Energy Technology Fund

**ACTION:** Approve addition
- The Department of Commerce, Community, and Economic Development recommends “deletion” of the following programs:
  - Deferred Deposit Advances (payday loans)
  - Approval of Articles of Incorporation, Bank Charters, and Certificates of Authority for State Chartered Banks, Mutual Savings Banks, Savings Associations and Credit Unions
  - License to Engage in the Business of Making Loans
  - Premium Finance Company License
  - Business Industrial Development Corporation License (AS 10.13),

(See attached explanation emailed from Kevin Anselm, Director of the Division of Banking and Securities)

**ACTION:** Discussion items. Determine if programs should remain on the list or be deleted. A representative from the Division of Banking and Securities will be available to answer questions.



# Alaska State Legislature

## Select Committee on Legislative Ethics

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P. O. Box 101468  
Anchorage, AK 99510-1468

*Sample  
Letter*

November 5, 2014

Jeanne Mungle, Director  
Dept of Commerce, Community, & Economic Dev/Admin Svcs  
P. O. Box 110803  
Juneau AK 99811-0803

RE: STATE BENEFIT AND LOAN PROGRAMS under AS 24.60.050

Dear Ms. Mungle:

The Select Committee on Legislative Ethics is required to review the state of Alaska Benefit Programs and Loan programs, under AS 24.60.050, for disclosure of participation by legislators, legislative employees, and others affected by the Legislative Ethics Act. Participation in state programs which do not meet certain standards and have a certain degree of discretion in the awarding process must be disclosed.

Attached is a list of benefit and loan programs which were previously determined as "not meeting the following standards":

1. generally available to members of the public;
2. subject to fixed, objective eligibility standards; and
3. minimal in discretion in determining qualification

Please review the list. If you have a *new* program to add or have *changes* to make to an existing program, please fill out the enclosed 2015 BENEFIT OR LOAN REVIEW FORM and return to us in the enclosed envelope.

If you *do not* have a new program to add or do not have changes to make, simply send us an e-mail stating just that. Our email address is [ethics.committee@akleg.gov](mailto:ethics.committee@akleg.gov).

Page 2  
November 5, 2014

**If you wish to remove a program from the list, please fill out the enclosed 2015 BENEFIT OR LOAN REVIEW FORM and return to us in the enclosed envelope. Please note that if you are removing a program you must provide documentation showing us one of the following:**

1. The standards have changed; or
2. The program no longer exists; or
3. The program has been transferred to another department

**Remember, this is to protect your employees from any potential undue legislative influence.**

**Regardless of the type of action you are taking, please respond to us by**

**December 5, 2014.**

**This will allow us ample time to update the list for distribution to legislators and legislative staff on January 2, 2015.**

**If you have any questions, please contact the Ethics Committee office.**

**Thank you for your cooperation in this matter.**

**Sincerely,**



**Jerry Anderson  
Administrator**

**Enclosures: 2014 State Benefit and Loan Programs  
2015 Benefit or Loan Review Form & Return Envelope**

**Alaska State Legislature**  
**Select Committee on Legislative Ethics**  
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*Sample*

**2015 BENEFIT OR LOAN REVIEW FORM**  
**AS 24.60.050**

DEPARTMENT: Commerce, Community and Economic Dev. DIVISION: Banking and Securities

AGENCY: \_\_\_\_\_

Contact person: Kevin Anselm Phone : 269-4157

NAME OF (NEW or EXISTING) STATE BENEFIT OR LOAN PROGRAM (ADDING or CHANGING):

PURPOSE: \_\_\_\_\_

METHOD FOR APPLICATION TO RECEIVE BENEFIT OR LOAN: \_\_\_\_\_

ELIGIBILITY REQUIREMENTS: \_\_\_\_\_

TERMS: (minimum/maximum amounts, interest rates, assumable loan, collateral required, maximum term, fees, etc.) \_\_\_\_\_

The (New or Existing) Program does not meet one or more of the following standards: (Check all that apply)

- ☐ The benefit program or loan is generally available to members of the public; OR
- ☐ Is subject to fixed, objective eligibility standard; OR
- ☐ Requires minimal discretion in determining qualification

NAME OF STATE BENEFIT OR LOAN PROGRAM YOU ARE REMOVING (if applicable):

Please see attached list and explanation.

If removing a program, please check applicable reason:

- ☐ The standards have changed. EXPLAIN & PROVIDE DOCUMENTATION: \_\_\_\_\_; OR
- ☐ The program no longer exists; OR
- ☐ The program has been transferred to another department. PLEASE PROVIDE NAME OF DEPT: \_\_\_\_\_

Kevin Anselm, Director

December 3, 2014

NAME

TITLE

DATE



## APPENDIX C

### 2015 Alaska State Benefit and Loan Programs under AS 24.60.050(c)

Participation in the following State Benefit and Loan Programs during the *preceding* year and for the *current* year must be reported. Disclosure forms are available in Appendix B.

#### Department of Administration Programs

Violent Crimes Compensation Board:

Violent Crimes Compensation (please reference Advisory Opinion 94-07 for an explanation of disclosure requirements)

#### Department of Commerce, Community and Economic Development Loans

(NOTE: A new loan under this department is under consideration by the Ethics Committee; results will be determined at the committee meeting in January, 2015. Please contact the Ethics office for clarification.)

Division of Economic Development:

- Alaska Capstone Avionics Revolving Loan Fund
- Commercial Fishing Revolving Loan Fund
- Fisheries Enhancement Revolving Loan Fund
- Rural Development Initiative Fund
- Small Business Economic Development Revolving Loan Fund
- Mariculture Loan Fund
- Community Quota Entity Loan Fund
- Microloan Loan Fund
- Alternative Energy Conservation Loan Fund
- Commercial Charter Fisheries Loan Fund

Alaska Industrial Development and Export Authority and Alaska Energy Authority:

- AIDEA Loans
- ASSETS (Alaska Sustainable Strategy for Energy Transmission & Supply) Loan Program
- Development Finance Program

#### Department of Commerce, Community & Economic Development Programs

(NOTE: Removal of existing loans under this department is under consideration by the Ethics Committee; results will be determined at the committee meeting in January, 2015. Please contact the Ethics office for clarification.)

Alcoholic Beverage Control Board:

- Liquor License

Alaska Railroad Corporation:

- Real Estate Lease - Negotiated

Sale of Surplus Property - Negotiated  
Railroad Permit  
Rail Transportation Contract – Negotiated  
Division of Banking and Securities:  
Deferred Deposit Advances  
Approval of Articles of Incorporation, Bank Charters, and Certificates of Authority  
for: State Chartered Banks, Mutual Savings Banks,  
Savings Associations, and Credit Unions  
License to Engage in the Business of Making Loans  
Premium Finance Company License  
Business Industrial Development Corporation License

#### Department of Environmental Conservation

Alaska Clean Water Revolving Loan Fund  
Alaska Drinking Water Revolving Loan Fund

#### Department of Health and Social Services Programs

Various Divisions:  
Licensing of Health Care Facilities

#### Department of Military and Veterans Affairs

Alaska Aerospace Development Corporation:  
Scholarship Program

#### Department of Natural Resources Programs

Division of Forestry:  
Timber Sales – Negotiated  
Personal Use Permits  
Division of Mining, Land and Water:  
Preference Right Land Sales AS 38.05  
Agricultural Land Lottery Sale Program  
Additional Non-competitive Land Leases - Negotiated  
Approving Easement Vacations in the Unorganized Borough and Certain  
Other Areas  
Exchange of State Land  
Homesite Entry Program  
Homestead Entry Program  
Land Use Permit  
Material Sale - Negotiated  
Upland, Tideland, or Grazing Lease - Negotiated  
Right-of-Way or Easement  
Water Authorizations  
Trapping Cabin Permit  
Offshore Prospecting Permit  
Coal Prospecting Permit  
Mining Reclamation Plan Approval  
Coal Surface Mining Reclamation Program



- Mineral Discovery Bonus
- Exploration Incentive Credits
- Substantial Compliance Determination (re: Mining Locations)
- State Pipeline Coordinator's Office:
  - Pipeline Right-of-Way Lease
- Division of Oil and Gas:
  - In-Kind Royalty Gas or Oil Sale
  - Exploration Incentive Credits
- Division of Parks and Outdoor Recreation:
  - Free Disabled Veterans State Park Camping Permit

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### Department of Natural Resources Loans

- Division of Agriculture:
  - Agricultural Revolving Loan Fund

### Department of Transportation and Public Facilities Programs

- Division of Design and Engineering:
  - Disposal of Excess Right-of-Way Land
  - Right-of-Way Acquisition
  - Right-of-Way Permit
    - Encroachment, Driveway or Airspace Permit
    - Utility Permit on State Right-of-Way
  - Right-of-Way Rental

### University of Alaska

- Land Management Division
  - Real Property Transactions – Negotiated Non-Competitive



**Alaska State Legislature**  
**Select Committee on Legislative Ethics**

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**2015 BENEFIT OR LOAN REVIEW FORM**  
**AS 24.60.050**

DEPARTMENT: DCCED DIVISION: \_\_\_\_\_

AGENCY: ALASKA ENERGY AUTHORITY

Contact person: Sara Fisher-Goad Phone: 907-771-3000

NAME OF (*NEW* or *EXISTING*) STATE BENEFIT OR LOAN PROGRAM (*ADDING* or *CHANGING*):

**EMERGING ENERGY TECHNOLOGY FUND**

PURPOSE: Promote the expansion of energy sources available to Alaskans by making grants to eligible applicants to test emerging energy technologies, improve an existing energy technology, and deploy energy technology not previously used in Alaska.

METHOD FOR APPLICATION TO RECEIVE BENEFIT OR LOAN: Qualifying application per 42.45.375.

ELIGIBILITY REQUIREMENTS: Eligibility is based on requirements defined in 42.45.375.

TERMS (minimum/maximum amounts, interest rates, assumable loan, collateral required, maximum term, fees, etc): N/A – Grant program dependent on funding levels.

The (New or Existing) Program does not meet one or more of the following standards: (Check all that apply)

- ☒ The benefit program or loan is generally available to members of the public; OR
- ☐ Is subject to fixed, objective eligibility standard; OR
- ☐ Requires minimal discretion in determining qualification

NAME OF STATE BENEFIT OR LOAN PROGRAM YOU ARE *REMOVING* (if applicable):

If removing a program, please check applicable reason:

- ☐ The standards have changed. EXPLAIN & PROVIDE DOCUMENTATION:

OR

- ☐ The program no longer exists: OR
- ☐ The program has been transferred to another department. PLEASE PROVIDE NAME OF DEPT:

Sara Fisher-Goad

Executive Director

11/25/2014

NAME

TITLE

DATE



**ATTACHMENT TO  
2015 BENEFIT OR LOAN REVIEW FORM  
AS 24.60.050**

**Department of Commerce, Community and Economic Development – Division of Banking and Securities**

**NAME OF STATE BENEFIT OR LOAN PROGRAM YOU ARE REMOVING:**

**DEPARTMENT OF COMMERCE, COMMUNITY & ECONOMIC DEVELOPMENT PROGRAMS**

**DIVISION OF BANKING AND SECURITIES**

The following programs/licenses are listed in error. Each license or charter is generally available to members of the public that met fixed, objective statutory (Alaska Statutes Title 6 unless otherwise noted) and regulatory requirements for the respective program, and the division has minimal discretion in determining qualifications different than those stated requirements:

Deferred Deposit Advances (payday loans)  
Approval of Articles of Incorporation, Bank Charters and Certificates of Authority for State  
Chartered Banks, Mutual Savings Banks, Savings Associations and Credit Unions  
License to Engage in the Business of Making Loans  
Premium Finance Company License  
Business Industrial Development Corporation License (AS 10.13)

**Please contact me if you need additional information.**

**Thank you.**

**Kevin Anselm**  
*Director*  
Division of Banking and Securities  
(907) 269-4157  
[kevin.anselm@alaska.gov](mailto:kevin.anselm@alaska.gov)



**From:** Mungle, Jeanne K (CED) [<mailto:jeanne.mungle@alaska.gov>]  
**Sent:** Friday, December 12, 2014 11:25 AM  
**To:** Jerry Anderson  
**Cc:** Mungle, Jeanne K (CED)  
**Subject:** FW: Legislative Ethics Review / State Benefit and Loan programs

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Hi Jerry,

Thank you for the chat this morning! The attached are related to the Division of Banking and Securities. If you have any questions, please let me know.

Happy Holidays!

Jeanne Mungle  
Administrative Services Director  
Department of Commerce, Community and Economic Development  
(907)465-2506



**From:** Anselm, Kevin C (CED)  
**Sent:** Wednesday, December 03, 2014 9:09 AM  
**To:** Fowler, Micaela R (CED); Franklin, Cynthia A (CED); Mungle, Jeanne K (CED)  
**Cc:** Bittner, Jon S (CED); Fournier, Bonnie E (CED); Wardlaw, Renee O (LAW)  
**Subject:** FW: Legislative Ethics Review / State Benefit and Loan programs

Good morning-

Thanks to all of you for your work on this project to date. As I mentioned last evening, attached is the document (form and attachment – DBS Response) that I propose to send requesting removal of the DBS programs from the list. I also attached a fillable .pdf of the original form (2015 Benefit or Loan Review Form 12-3-2014) that may make it easier for your drafting purposes.

Renee Wardlaw, AAG is also copied on this email. She looked at the statute and agrees with removing the DBS programs from this list. As we discussed yesterday, including seemingly arbitrary licenses and not others is very strange. Insurance company/producer licenses, mortgage broker/originator licenses and investment adviser/broker-dealer/salesperson registrations and even professional licenses issued through CBPL, by example, all have specific testing and/or other requirements just like the payday lending/ banking charters, etc. currently listed. All of the DBS programs are available to the public provided they meet certain stated requirements, so we are unable to figure out why the named licenses/charters are included.

Because other DCCED programs are listed, it may be appropriate for Economic Development and AIDEA to ensure that the loans/benefits listed should be there and add anything new that fits in the statutory description.

Of course, we should consider other interpretations that may be offered, and I am certainly happy to discuss further. Please let me know if you have additional thoughts or concerns. I have included the original documents and Jeanne's original email to hopefully make this project a little easier to track.

Best regards,

**Kevin Anselm**

*Director*

Division of Banking and Securities

(907) 269-4157

[kevin.anselm@alaska.gov](mailto:kevin.anselm@alaska.gov)

**From:** Fowler, Micaela R (CED)

**Sent:** Tuesday, December 02, 2014 12:22 PM

**To:** Anselm, Kevin C (CED)

**Subject:** FW: Legislative Ethics Review / State Benefit and Loan programs

Micaela Fowler

Legislative Liaison

Office of the Commissioner

Department of Commerce, Community, and Economic Development

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✉: [micaela.fowler@alaska.gov](mailto:micaela.fowler@alaska.gov)

**From:** Mungle, Jeanne K (CED)

**Sent:** Monday, November 17, 2014 6:20 PM

**To:** Anselm, Kevin C (CED); Wing-Heier, Lori K (CED); Chambers, Sara C (CED); Jacobson, Joseph L (CED); Blood, Lawrence P (CED); Bittner, Jon S (CED); Parady, Fred E (CED); Franklin, Cynthia A (CED); Leonard, Theodore J (AIDEA); Fishergoad, Sara L (AIDEA); Cerne, Michael B (ASMI); Bill G O'Leary; Wendy Lindskoog; Dan Fauske; Tangeman, Bruce (GOV sponsored); Jeans, Cathy (CED); Pickett, Bob (RCA); Wilde, Ann (RCA)

**Cc:** Mungle, Jeanne K (CED); Lager, Hannah L (CED); Klemmetson, Laura C (CED); Fowler, Micaela R (CED)

**Subject:** Legislative Ethics Review / State Benefit and Loan programs

Good evening,

Please review the attached letter regarding Legislative Ethics review of state benefit and loan programs. If you have additions or deletions to the list of programs that do not meet the identified criteria, complete the attached form and return to me by cob Tuesday November 25<sup>th</sup>. Please confirm by return email if you have no changes or if this request does not currently apply to operations within your agency.

Thanks,

Jeanne Mungle

Administrative Services Director

Department of Commerce, Community and Economic Development

(907) 465-2506