



Alaska State Legislature Legislative Council Minutes

AUGUST 10, 2009

The Legislative Council meeting was called to order at 4:25 p.m. by Representative John Harris, Chairman, in the Anchorage LIO 2nd Floor Conference Room and via teleconference.

1. ROLL CALL

The roll was taken. In attendance were Council members: Representatives Harris, Chenault, Coghill, Gatto, Stoltze, Wilson and Guttenberg; Senators Davis, Ellis, Hoffman, Olson, Stedman, and Stevens.

Staff present: Varni, Bitney, Clothier, Cook, Finley, Gullufsen, Johnston, Schofield, and Strong.

Others present: Alice Rogoff, Chair, Alaska House, New York (AHNY)

2. APPROVAL OF JULY 13, 2009 MINUTES

Senator Davis moved that Legislative Council approve the minutes of the July 13, 2009 Legislative Council meeting as presented and corrected.

The motion passed with no objections.

3. DELL – MICROSOFT ENTERPRISE AGREEMENT APPROVAL

Senator Stedman and Representative Stoltze joined the meeting at this time.

Senator Davis moved that Legislative Council approve the expenditure of \$87,957.29 to Dell for the Legislature's portion of the annual Microsoft Enterprise Agreement for software assurance.

Curtis Clothier, Information Services Manager for the Legislative Affairs Agency, stated that this item is a renewal of the Legislature's portion of an agreement between the State and Microsoft. This agreement allows the Legislature to put Microsoft operating system and Office software on all of our computers – desktops and laptops. The agreement gives us a lower cost than what we'd get commercially and was an enterprise agreement with the entire State of Alaska. He went on to explain that, in addition to the better rate, the agreement provides for software downloads, our own account manager, training vouchers, as well as the benefit of Office software which one can find on the Information Services Intranet page.

Mr. Clothier noted that in previous years we made this payment to the State of Alaska Executive Branch and they paid the vendor; however, this year the Department of Administration has requested that we reimburse the vendor directly, hence the necessity of securing Legislative Council approval.

Discussion followed.

The motion passed with no objections.

4. TOM STEWART LOB CARPET INSTALLATION

This item was removed from the agenda.

5. ALBERT JUDSON V. GARY STEVENS AND MIKE CHENAULT LEGAL REPRESENTATION

Tam Cook, Director of Legal Services, stated that her office was notified by the Attorney General's office on Friday, August 7, of a complaint that had been slipped under their door which stated that an individual wanted to sue the Legislature's Presiding Officers. This individual is not represented by an attorney. This individual requested an expedited consideration of his motion. Due to the nature of the motion, Legal Services contacted both Presiding Officers and obtained permission to represent them. Ms. Cook stated that her office prepared a Motion to Dismiss and filed that motion before the end of the day, Friday, August 7.

Ms. Cook stated that Legal Services requested approval of Legislative Council: (1) to ratify all actions taken to date and (2) to get permission to continue to represent any Legislators and legislative entities who may continue to be embroiled in the lawsuit if those individuals wish representation from the Legal Services Division. Legal Services does not normally get involved in litigation without the approval of Legislative Council.

Discussion followed.

Senator Davis moved that the Legislative Council direct the Legal and Research Services Division to provide representation at the request of any legislative entity, Legislator, or legislative staff member who is now or later named in the case challenging the special session: Albert Judson v. Gary Stevens and Mike Chenault, Case No. 9JU-09-7920.

The motion passed with no objections.

6. ALICE ROGOFF PRESENTATION – ALASKA HOUSE

Chairman Harris introduced Alice Rogoff, Chair of the nonprofit Alaska House in New York City, and informed Council members that she was here to make a presentation regarding a funding request for the Alaska House, New York (AHNY).

Ms. Rogoff began her presentation stating that Alaska House New York acts as an embassy to showcase the cultural and trade opportunities of Alaska as well as to highlight issues important in Alaska with national and international media, lawmakers, and industry.

Ms. Rogoff showed a two minute informational video to members.

Ms. Rogoff stated that she has invested an enormous amount of time and money into this organization. She advised Council members that she has begun conversations with Governor Parnell's administration; she has been speaking with (Commissioner) Emil Notti (Department of Commerce, Community and Economic Development) and has every reason to believe that there will be an item in the DCCED FY 2011 budget for this project.

Ms. Rogoff went on to say that, in the mean time, she needs help keeping the doors open. Ms. Rogoff is requesting Legislative Council approval to make available funding from the State of Alaska to continue the efforts of Alaska House New York. The request was for \$875,000. She believes this outlay to be a very good investment because the organization is already seeing returns on what they have been doing with their own limited funds.

Ms. Rogoff completed her presentation and offered to take questions at this time.

Representative Wilson commented that in considering this proposal she recalled what other nonprofits requesting funding are asked such as: (1) is the project sustainable, (2), how much has the organization done for itself, (3) how much fundraising has the organization done, (4) what entities have they gone to for funding requests, among other things. Representative Wilson then asked Ms. Rogoff if she had approached the federal government with her funding request.

Ms. Rogoff replied that she has not yet but will approach Senator Murkowski as soon as she is able.

Representative Wilson then asked if Ms. Rogoff had gone to the twelve Native corporations to ask for any money and, if so, what was the response.

Ms. Rogoff responded that the most success they've had so far is with ASRC which intends to use AHNY to do some cultural training for their employees. She stated that she has also talked to CIRC regarding cultural tourism. Ms. Rogoff stated she will be continuing those conversations; but between these two organizations the best response she has received is an interested but noncommittal response.

Representative Wilson noted that the organization started with funds from an anonymous donor. She asked Ms. Rogoff what her initial plan was for sustainability.

Ms. Rogoff stated that her plan was that it would be very easy to raise something in the nature of \$1,000,000 a year from financial services firms who, among them, were collecting at least \$150,000,000 a year in fee income from managing the Permanent Fund; Mike Burns encouraged her to go seek that from them. Ms. Rogoff pointed out that unfortunately, what has happened in the last six months, as members know, is that those firms have been basically "blown up" and the pieces have been reorganized so it hasn't been possible to trace where the employee is who worked on the Permanent Fund a year ago who may still work on it but is accountable to an entirely different organization.

Ms. Rogoff assured Council members that she will continue to track every one of those leads down. She went on to state that it would be enormously helpful in raising money from those

organizations if it could be done in such a way that the people we solicit from understood that the AHNY is not just a nonprofit but a nonprofit with an official “good housekeeping seal of approval” from the state government. A financial relationship between AHNY and the State of Alaska would be hugely beneficial as it is a more powerful message to potential donors if they think there are a Governor and a state legislature behind them.

Representative Wilson asked Ms. Rogoff what other entities has she approached with funding requests since the economic downturn.

Ms. Rogoff stated that they had submitted approximately 75 grant requests and were turned down by every one of them, almost all for the sole reason that these organizations were not making any grants to new entities whom they hadn’t funded before.

Representative Wilson asked how much money Ms. Rogoff had raised to date from other entities, particularly how much effort has gone out and how much funding has come in.

Ms. Rogoff stated that she has learned personally that, like the Alaska Manufacturing Extension Partnership that was created in the State of Alaska, the best possible kind of way to build an organization with sustainability is as a private partnership with public money from both federal and state sources, perhaps even the State of New York and she believes that is what AHNY should strive for.

Ms. Rogoff stated that approximately 75 grant applications went out to foundations and 30 requests to individuals; of those 30 the organization received a few hundred thousand. As a result of the difficulty in finding funding, AHNY has scaled back significantly the art program. Ms. Rogoff stated that she fully expects businesses to be a part of the public-private partnership in underwriting any number of educational outreach programs.

Chairman Harris noted that having an organization come directly to Legislative Council with a funding request is not the normal process. He wanted members to have an opportunity to understand what this organization was trying to accomplish. He informed Ms. Rogoff that the Council was not going to take any action at this time. In addition, Chairman Harris pointed out that many members were uncomfortable with the idea of approving funding for an organization that is located outside Alaska and that by allowing Ms. Rogoff to make her presentation members would have a better awareness.

Chairman Harris told Ms. Rogoff he is pleased that she is talking to the Parnell Administration as they are really the correct entity to make a budget request.

Senator Stedman expressed concerned about allocating public monies for an organization outside the State, and discomfort about using state monies for funding nonprofits in general.

Senator Stedman also stated that there needs to be a conversation with Mike Burns from the Permanent Fund at LB&A regarding the proposal to request funding from permanent fund investment firms. He said he was uncomfortable about possible ethical issues if the State would be seen as pressuring these firms to make contributions to different nonprofits.

Ms. Rogoff responded that in her conversations with Mike Burns he made it clear that, in speaking with his ethics advisors, he would in no way be involved in any conversations with these investment firms; that it was perfectly appropriate for someone not affiliated with state government to approach these firms for donations, but that he would not be involved in any way.

Senator Ellis noted that the first item in the handout is “Trade/Business advocacy services”, and that the State has had trade offices located in various places around the world through the Department of Commerce. He asked if this would be the non-state government staff of Alaska House; and whether she envisioned them providing trade and business advocacy services the same way the state does at offices in Korea or Japan for example.

Ms. Rogoff said that was correct and that she would go further in stating that if the will of the Legislature or the Executive Branch is to fund AHNY as a trade and business advocacy office it would be perfectly appropriate there be some of their own employees put there for exactly that purpose. She said there was no pride of authorship in the way this concept was implemented.

Discussion followed.

Senator Davis asked in what ways the organizations listed in the handout are partnering with AHNY.

Ms. Rogoff cited examples of partnerships in the discussion that followed.

Representative Stoltze remarked that the proposal for AHNY is very well thought out.

Senator Olson asked Ms. Rogoff if she was making a one-time funding request and requested more detail on her financial plan for the next several years.

Ms. Rogoff responded that there are three years left in the current lease. She went on to say she imagines that, in the future, the State will determine the future of this organization. Her goal is to continue working on obtaining private funding – initially in matching grants and eventually to the point that the organization is funded solely with private funds.

Senator Olson said that his constituents will see this request and will want to know what a resident of Alaska is getting out of funding an organization in New York.

Ms. Rogoff stated that the Alaska Native Arts Foundation has cumulatively purchased over \$1,000,000 of Native art since they’ve been in business as a foundation. That is direct economic stimulus and is why the Manufacturing Extension Partnership funds the organization’s core overhead. The more Native art sold, the more Native art the foundation purchases. That is the primary mission of the Alaska Native Arts Foundation.

Ms. Rogoff said that the impact of cultural tourism, while less defined, has the potential for greater value in real dollars in the long term. Ms. Rogoff believes that there is a huge opportunity to generate income for Alaskans through this venture.

Chairman Harris thanked Ms. Rogoff and suggested that she (1) expand her proposal to highlight the benefit of investing in her organization, (2) meet with as many Council members as possible, and (3) encourage supporters of AHNY to also meet with Council members. Chairman Harris concluded by stating that the Council would re-visit her request at a future meeting.

7. OTHER BUSINESS

There was no other business.

The meeting adjourned at 5:15 p.m.