

Original Sponsor: Rules/Governor

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

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CS FOR HOUSE BILL NO. 390 (HESS)

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IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

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For an Act entitled: "An Act establishing the Alaska Science and Techno-
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9
logy Foundation; relating to the membership of the
science and engineering advisory commission; and
providing for an effective date."

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

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* Section 1. AS 37 is amended by adding a new chapter to read:

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CHAPTER 17. ALASKA SCIENCE AND TECHNOLOGY FOUNDATION.

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Sec. 37.17.010. FOUNDATION ESTABLISHED. (a) The Alaska Science

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and Technology Foundation is established as a public corporation in
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the Department of Revenue.

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(b) The purpose of the foundation is to promote and enhance
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through basic and applied research; economic development and techno-
logical innovation in Alaska; public health; and sustained growth and
development of Alaskan scientific and engineering capabilities.

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Sec. 37.17.020. ENDOWMENT ESTABLISHED; INVESTMENT. (a) In

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order to support the foundation, the Alaska science and technology
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endowment is established, consisting of money appropriated to the
Alaska Permanent Fund Corporation for the benefit of the foundation.

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(b) For the purposes of investment of the endowment, the Alaska
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Permanent Fund Corporation is subject to AS 37.13.120, except that
amounts appropriated for purposes of the endowment do not become a
part of the principal of the Alaska permanent fund, and the endowment
income must be distributed in accordance with this chapter.

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Sec. 37.17.030. ENDOWMENT INCOME; EXPENSES; GRANTS. (a) Upon

1 application of the foundation's board of directors or its authorized
2 representative, the Alaska Permanent Fund Corporation shall pay to the
3 foundation a portion or all of the income then accrued from the endow-
4 ment. The net annual capital gains of the endowment shall be equally
5 divided between the income and the principal of the endowment.

6 (b) In addition to endowment income, the foundation may receive
7 gifts, grants, and other aid. The foundation may accumulate income,
8 gifts, grants, and other aid from any one year and distribute them in
9 a later year.

10 (c) The administrative expenses of the foundation are subject to
11 the Executive Budget Act and must be paid from the income of the
12 endowment.

13 (d) The board of directors shall distribute the income of the
14 endowment through competitive grants in accordance with this chapter.
15 The board may disburse money that is received by the foundation for
16 special or general purposes.

17 (e) The board of directors may pay into the principal of the
18 endowment any part of the endowment income. Money paid to the princi-
19 pal under this subsection may not later be withdrawn by the board of
20 directors.

21 Sec. 37.17.040. BOARD OF DIRECTORS. (a) The foundation is
22 governed and administered in accordance with this chapter by a board
23 of directors appointed by the governor and confirmed by the legisla-
24 ture to serve staggered terms of four years. A member serves on the
25 board until a successor qualifies and is appointed. A member of the
26 board of directors may be removed from the board by the governor for
27 cause.

28 (b) The board of directors is composed of nine members, as fol-
29 lows:

1 (1) two members must be scientists or engineers residing in
2 Alaska who are recognized contributors in the science or engineering
3 fields, one of whom is employed by the University of Alaska;

4 (2) two nonvoting members must be scientists or engineers
5 residing outside Alaska who are recognized contributors in the science
6 or engineering fields;

7 (3) four members of the public, at least two of whom have
8 recognized expertise or experience in resource development, manufac-
9 turing, finance, or public health;

10 (4) one member who is employed by a department or agency of
11 the state, except for the University of Alaska.

12 Sec. 37.17.050. ELECTION OF OFFICERS. The board of directors
13 shall elect a chairperson and a secretary from its members, each to
14 serve for a term not to exceed two years.

15 Sec. 37.17.060. QUORUM. A majority of the board constitutes a
16 quorum for the transaction of business.

17 Sec. 37.17.070. MEETINGS AND REIMBURSEMENT FOR EXPENSES. The
18 board shall meet at least twice a year. Additional meetings may be
19 called at the discretion of the chairperson. Board members are enti-
20 tled to per diem and travel expenses authorized for boards and com-
21 missions under AS 39.20.180. Board members not employed by the state
22 or the University of Alaska receive an honorarium of \$400 for each day
23 spent on official business of the board, not to exceed a total of 30
24 days per annum.

25 Sec. 37.17.080. STAFF. The board of directors shall employ and
26 determine the salary of an executive director, subject to the Execu-
27 tive Budget Act. The executive director serves at the pleasure of the
28 board. The executive director may, with approval of the board, select
29 and employ additional staff as necessary. No employee of the

1 foundation, including the executive director, may be a member of the
2 board. The executive director and the other employees of the founda-
3 tion are in the exempt service under AS 39.25.

4 Sec. 37.17.090. GRANT PROCEDURES, LIMITATION, AND REQUIREMENTS.

5 (a) The board of directors shall provide adequate and appropriate
6 notice of all solicitations for grant proposals at least once a year.
7 The board may actively solicit persons, organizations, or institutions
8 to apply for general or specific grants.

9 (b) Grant proposals must be submitted for impartial and compet-
10 itive peer review for scientific and technical validity by a panel of
11 recognized experts appointed by the board of directors. The identity
12 of members of a peer review panel is confidential until final action
13 is taken by the board on the grant proposal. The board shall consider
14 the recommendations of the panel in deciding whether to award a grant.
15 The board may exempt grants of \$5,000 or less from peer review.

16 (c) In making its grant awards, the board shall take into con-
17 sideration the policy and research priorities identified by the Alaska
18 Science and Engineering Advisory Commission.

19 (d) Not less than 50 percent of the endowment income that is
20 distributed as grants by the foundation in a fiscal year must be for
21 grants of \$100,000 or less, exclusive of other funding.

22 (e) The board of directors shall, as a condition of a grant, and
23 as necessary, set the maximum percentage of a grant award that may be
24 expended by a grantee to pay for overhead costs of the grantee's proj-
25 ect.

26 (f) The board shall require from each grant recipient periodic
27 reports and a final report. The board shall disseminate to the
28 scientific community and to the public, on a regular basis, the re-
29 sults of research sponsored by the foundation. Proprietary reports

1 and other information voluntarily filed with the board or critical to
2 patent applications may be kept confidential if the person providing
3 the information so requests and it is considered necessary by the
4 board. Dissemination of sponsored research shall be in a form of
5 greatest utility to the scientific community and the general public,
6 and may include technological transfer or applications information for
7 promising results.

8 (g) As a condition of all grants awarded under this chapter, the
9 board of directors may require that a fair and reasonable percentage
10 of all income from royalties, licenses, and patents produced as a re-
11 sult of the grant be paid into the principal of the endowment.

12 (h) In awarding a grant under this chapter, the board of direc-
13 tors shall give preference to an applicant who is an Alaska resident,
14 association, organization, or institution. If the board determines
15 that an Alaskan applicant does not have the expertise or capability to
16 satisfactorily perform the grant research without assistance from an
17 out-of-state person or institution, the board may award a grant,
18 jointly, to the Alaskan applicant and an approved out-of-state person
19 or institution. If a grant is awarded to an out-of-state person or
20 institution, the board may require that the out-of-state grantee
21 associate with an Alaska scientific or technical organization while
22 performing the grant research. In all cases, a grant may be awarded
23 only if the board determines that the research to be performed will
24 further the purposes of the foundation under AS 37.17.010(b).

25 (i) A grant may include money to obtain equipment. Such equip-
26 ment is the property of the foundation. At the termination of the
27 grant, the equipment must be disposed of at the discretion of the
28 board.

29 (j) The board of directors shall provide a written report of its

1 activities and finances to the governor and the legislature no later
2 than January 30 each year.

3 Sec. 37.17.100. CONFLICT OF INTEREST. (a) Members of the board
4 of directors are subject to the Alaska Executive Branch Ethics Act,
5 AS 39.52.

6 (b) The board of directors shall adopt a written policy in addi-
7 tion to the requirements of AS 39.52, to address potential conflicts
8 of interest of its members and members of a peer review panel.

9 Sec. 37.17.110. REGULATIONS. The board of directors may adopt
10 regulations to implement this chapter.

11 * Sec. 2. AS 39.25.110 is amended by adding a new paragraph to read:

12 (5) the executive director and staff of the Alaska Science
13 and Technology Foundation (AS 37.17.010).

14 * Sec. 3. AS 44.19.257(a) is amended to read:

15 (a) The commission is composed of eight [SEVEN] members ap-
16 pointed by the governor as follows:

17 (1) one member is to be appointed from individuals from the
18 academic institutions in [OF] the state with expertise in areas of
19 research relating to the state, including the physical, biological,
20 health, environmental, social, and behavioral sciences;

21 (2) one member is to be appointed from individuals who are
22 engaged in activities furthering the welfare of the human and physical
23 environment and who have expertise in areas of research relating to
24 the state, including the physical, biological, health, environmental,
25 social, and behavioral sciences;

26 (3) one member is to be appointed from state departments
27 with research needs;

28 (4) one member is to be appointed from individuals familiar
29 with the state and representative of the needs and interests of

1 private industry;

2 (5) one member is to be appointed from individuals with
3 experience in national and international research programs;

4 (6) one member is to be appointed from the general public;
5 [AND]

6 (7) the executive director of the Alaska Science and Tech-
7 nology Foundation established under AS 37.17; and

8 (8) the senior science advisor in the governor's office,
9 who serves as chairperson [CHAIRMAN] and director of the commission.

10 * Sec. 4. AS 44.19.259 is amended to read:

11 Sec. 44.19.259. TERM OF MEMBERS OF THE COMMISSION. Members of
12 the commission, other than the senior science advisor and the execu-
13 tive director of the Alaska Science and Technology Foundation, serve
14 staggered terms of four years and until a successor qualifies and is
15 appointed.

16 * Sec. 5. This Act takes effect immediately under AS 01.10.070(c).