

Original Sponsor: Rules/Governor

1 IN THE HOUSE BY THE FINANCE COMMITTEE
2 CS FOR HOUSE BILL NO. 390 (Finance) am
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - SECOND SESSION
5 A BILL
6 For an Act entitled: "An Act establishing the Alaska Science and Technolo-
7 gy Foundation; relating to the membership of the
8 science and engineering advisory commission; and
9 providing for an effective date."
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
11 * Section 1. AS 37 is amended by adding a new chapter to read:
12 CHAPTER 17. ALASKA SCIENCE AND TECHNOLOGY FOUNDATION.
13 Sec. 37.17.010. FOUNDATION ESTABLISHED. (a) The Alaska Science
14 and Technology Foundation is established as a public corporation in
15 the Department of Revenue.
16 (b) The purpose of the foundation is to promote and enhance
17 through basic and applied research: economic development and techno-
18 logical innovation in Alaska; public health; telecommunications; and
19 sustained growth and development of Alaskan scientific and engineering
20 capabilities.
21 Sec. 37.17.020. ENDOWMENT ESTABLISHED; INVESTMENT. (a) In
22 order to support the foundation, the Alaska science and technology
23 endowment is established, consisting of money appropriated to the
24 Alaska Permanent Fund Corporation for the benefit of the foundation.
25 (b) The endowment shall be held and invested by the Alaska
26 Permanent Fund Corporation as part of the principal of the Alaska
27 permanent fund, subject to AS 37.13.120; however, net income from the
28 endowment shall be distributed under this chapter. Net income from
29 the endowment may not be included in the computation of net income

1 available for distribution under AS 37.13.140.

2 Sec. 37.17.030. ENDOWMENT INCOME; EXPENSES; GRANTS. (a) The
3 distribution of the income and realized capital gains of the endowment
4 is subject to AS 37.07. The net annual realized capital gains of the
5 endowment may be equally divided between the income and the principal
6 of the endowment. Upon application of the foundation's board of
7 directors or its authorized representative, after authorization under
8 AS 37.07 the Alaska Permanent Fund Corporation shall pay to the
9 foundation the income appropriated.

10 (b) In addition to endowment income, the foundation may receive
11 gifts, grants, and other aid. The foundation may accumulate income,
12 gifts, grants, and other aid from any one year and distribute them in
13 a later year.

14 (c) The administrative expenses of the foundation are subject to
15 AS 37.07 and shall be paid from the income of the endowment.

16 (d) The board of directors shall distribute the income of the
17 endowment through competitive grants under this chapter. The board
18 may disburse money that is received by the foundation for special or
19 general purposes.

20 (e) Subject to AS 37.07, the board of directors may pay into the
21 principal of the endowment any part of the endowment income. Money
22 paid to the principal under this subsection may not later be withdrawn
23 by the board of directors.

24 Sec. 37.17.040. BOARD OF DIRECTORS. (a) The foundation is
25 governed and administered by a board of directors appointed by the
26 governor to serve staggered terms of four years. A member serves on
27 the board until a successor qualifies and is appointed. A member of
28 the board of directors may be removed from the board by the governor
29 for cause.

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

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

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

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

12 (4) one member who is employed by a department or agency of
13 the state, other than the University of Alaska.

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

17 Sec. 37.17.060. QUORUM. A majority of the voting members of the
18 board constitutes a quorum for the transaction of business.

19 Sec. 37.17.070. MEETINGS AND REIMBURSEMENT FOR EXPENSES. The
20 board shall meet at least twice a year. Additional meetings may be
21 called at the discretion of the chairperson. Board members are enti-
22 tled to per diem and travel expenses authorized for boards and com-
23 missions under AS 39.20.180. Board members not employed by the state
24 or the University of Alaska receive an honorarium of \$200 for each day
25 spent on official business of the board, not to exceed a total of 30
26 days per annum.

27 Sec. 37.17.080. STAFF. The board of directors shall employ and
28 determine the salary of an executive director, subject to AS 37.07.
29 The executive director serves at the pleasure of the board. The

1 executive director may, with approval of the board, select and employ
2 additional staff as necessary. An employee of the foundation, includ-
3 ing the executive director, may not be a member of the board. The
4 executive director and the other employees of the foundation are in
5 the exempt service under AS 39.25.110.

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

7 (a) The board of directors shall provide adequate and appropriate
8 notice of all solicitations for grant proposals at least once a year.
9 The board shall give preference, consistent with the purposes of this
10 chapter, to soliciting proposals for research projects that are rea-
11 sonably expected to use or enhance research capabilities for basic and
12 applied research in the state. The board may actively solicit per-
13 sons, organizations, or institutions to apply for general or specific
14 grants.

15 (b) Grant proposals must be submitted for impartial and competi-
16 tive peer review for scientific and technical validity by a panel of
17 recognized experts appointed by the board of directors. Members of a
18 peer review panel are entitled to per diem and travel expenses author-
19 ized under AS 39.20.180. The identity of members of a peer review
20 panel is confidential until final action is taken by the board on the
21 grant proposal. The board shall consider the recommendations of the
22 panel in deciding whether to award a grant. The board may exempt
23 grants of \$5,000 or less from peer review.

24 (c) Grant awards by the board must be consistent with the policy
25 and research priorities identified by the Alaska Science and Engineer-
26 ing Advisory Commission.

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

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

5 (f) The board shall require from each grant recipient periodic
6 reports and a final report. The board shall disseminate to the
7 scientific community and to the public, on a regular basis, the re-
8 sults of research sponsored by the foundation. Proprietary reports
9 and other information voluntarily filed with the board or critical to
10 patent applications may be kept confidential if the person providing
11 the information so requests and the board finds that it is in the best
12 interest of the state. Information developed under a grant awarded by
13 the board is public information unless the applicant requests and the
14 board grants confidentiality prior to the award of the grant. Dis-
15 semination of sponsored research must be in a form of greatest utility
16 to the scientific community and the general public and may include
17 technological transfer or applications information for promising
18 results.

19 (g) As a condition of all grants awarded under this chapter, the
20 board of directors shall require that a fair and reasonable percentage
21 of all income, if any, from royalties, licenses, and patents produced
22 as a result of the grant be paid into the principal of the endowment,
23 subject to AS 37.07.

24 (h) In awarding a grant under this chapter, the board of direc-
25 tors shall give preference to an applicant who is an Alaska resident,
26 association, organization, or institution. If the board determines
27 that an Alaskan applicant does not have the expertise or capability to
28 satisfactorily perform the grant research without assistance from an
29 out-of-state person or institution, the board may award a grant,

1 jointly, to the Alaskan applicant and an approved out-of-state person
2 or institution. If a grant is awarded to an out-of-state person or
3 institution, the board may require that the out-of-state grantee
4 associate with an Alaska scientific or technical organization while
5 performing the grant research. In all cases, a grant may be awarded
6 only if the board determines that the research to be performed will
7 further the purposes of the foundation under AS 37.17.010(b).

8 (i) A grant may include money to obtain equipment. The equip-
9 ment is the property of the foundation. At the termination of the
10 grant, the equipment shall be disposed of at the discretion of the
11 board.

12 (j) The board of directors shall provide a written report of its
13 activities and finances to the governor and the legislature no later
14 than January 30 each year.

15 Sec. 37.17.100. CONFLICT OF INTEREST. (a) Members of the board
16 of directors are subject to AS 39.52 (Alaska Executive Branch Ethics
17 Act).

18 (b) The board of directors shall adopt a written policy, in
19 addition to the requirements of AS 39.52, to address potential con-
20 flicts of interest of its members and members of a peer review panel.

21 Sec. 37.17.110. REGULATIONS. The board of directors may adopt
22 regulations to implement this chapter.

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

24 (25) the executive director and staff of the Alaska Science
25 and Technology Foundation (AS 37.17.010).

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

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

29 (1) one member is to be appointed from individuals from the

1 academic institutions in [OF] the state with expertise in areas of
2 research relating to the state, including the physical, biological,
3 health, environmental, social, and behavioral sciences;

4 (2) one member is to be appointed from individuals who are
5 engaged in activities furthering the welfare of the human and physical
6 environment and who have expertise in areas of research relating to
7 the state, including the physical, biological, health, environmental,
8 social, and behavioral sciences;

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

11 (4) one member is to be appointed from individuals familiar
12 with the state and representative of the needs and interests of pri-
13 vate industry;

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

16 (6) one member is to be appointed from the general public;

17 [AND]

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

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

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

23 Sec. 44.19.259. TERM OF MEMBERS OF THE COMMISSION. Members of
24 the commission, other than the senior science advisor and the execu-
25 tive director of the Alaska Science and Technology Foundation, serve
26 staggered terms of four years and until a successor qualifies and is
27 appointed.

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