

SENATE

Introduced: 1/11/93
 Referred: L&C, FIN

HOUSE

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EXECUTIVE ORDER NO. 81

1 Under the authority of art. III, sec. 23, of the Alaska Constitution, and in accordance
 2 with AS 24.08.210, I order the following:

3 * **Section 1. FINDINGS.** As governor, I find that it would be in the best interests of
 4 efficient administration to move the Alaska Science and Technology Foundation from the
 5 Department of Revenue to the Department of Commerce and Economic Development, and
 6 to transfer the duties of the science and engineering advisory commission to the Alaska
 7 Science and Technology Foundation, thus integrating the state's science and technology
 8 activities within the state agency responsible for the comprehensive economic development
 9 of the State of Alaska.

10 * **Sec. 2.** AS 39.25.110(25) is amended to read:

11 (25) the executive director and staff of the Alaska Science and
 12 Technology Foundation AS 44.33.900 [(AS 37.17.010)];

13 * **Sec. 3.** AS 44.33 is amended by adding new sections to read:

14 **Sec. 44.33.900. FOUNDATION ESTABLISHED.** (a) The Alaska Science
 15 and Technology Foundation is established as a public corporation in the Department
 16 of Commerce and Economic Development.

17 (b) The purposes of the foundation are

18 (1) to establish state research policy, priorities, and goals, and to
 19 provide a plan for basic and applied scientific research for the state, including natural
 20 resources and materials, physical, biological, and health sciences, and social and
 21 behavioral sciences; and

22 (2) to promote and enhance through basic and applied research:
 23 economic development and technological innovation in Alaska; public health;

1 telecommunications; and sustained growth and development of Alaskan scientific and
2 engineering capabilities.

3 **Sec. 44.33.910. STATEMENT OF POLICY.** It is the policy of the state to
4 recognize the important role that scientific and engineering research and science
5 education play for the people of the state and the entire nation. The policy will make
6 it possible to

7 (1) find, develop, and manage the natural renewable and nonrenewable
8 resources of the state's land and water economically and in an environmentally
9 acceptable fashion;

10 (2) manage the unique features of the environment, fauna, and flora
11 of the state and protect them from harmful man-made and natural influences;

12 (3) investigate and mitigate the effects of natural hazards such as
13 earthquakes, volcanic eruptions, avalanches, permafrost, and other hazards that occur
14 in the state;

15 (4) construct, operate, and maintain transportation systems,
16 communications, housing, and other facilities suited to the state's conditions;

17 (5) develop new technologies adapted to the unique conditions and
18 needs of the state;

19 (6) improve the health and well being throughout the life cycle of the
20 state's inhabitants; and

21 (7) identify and address future social and economic challenges facing
22 the state.

23 **Sec. 44.33.915. POWERS AND DUTIES OF THE FOUNDATION.** (a) The
24 foundation shall

25 (1) develop and recommend an integrated state research policy;

26 (2) provide policy information to the governor and the legislature on
27 matters that have scientific and engineering significance;

28 (3) receive scientific and engineering information from the academic
29 and industrial communities;

30 (4) act in an advocacy role for scientific and engineering issues and
31 science education important to the state that might otherwise be overlooked;

1 (5) assist state agencies in assessing research needs and establishing
2 priorities among them;

3 (6) facilitate cooperation between state agencies and the University of
4 Alaska and other academic institutions and industry;

5 (7) recommend methods to improve logistical planning and support for
6 scientific and engineering research conducted in the state by state, federal, or
7 international agencies, private industry, the general public, or private research
8 organizations;

9 (8) recommend methods for improving efficient acquisition, storage,
10 transfer, and dissemination of scientific and engineering data and information among
11 interested public and private institutions and the general public;

12 (9) promote science education and training for young scientists and
13 engineers to pursue careers in the state and the Arctic;

14 (10) cooperate with the federal Arctic Research Commission in the
15 formulation of the Arctic research policy; and

16 (11) not later than September 30 of each year, present to the governor
17 the foundation's recommended research priorities of the state for the next fiscal year.

18 (b) The foundation may

19 (1) receive money from private and government sources; and

20 (2) award contracts and grants to accomplish the purposes of
21 AS 44.33.900 - 44.33.965.

22 (c) Appropriations made for the purposes of AS 44.33.900 - 44.33.955 are not
23 one-year appropriations and do not lapse under AS 37.25.010.

24 Sec. 44.33.920. ESTABLISHMENT AND INVESTMENT OF
25 ENDOWMENT. (a) In order to support the foundation, the Alaska science and
26 technology endowment is established, consisting of money appropriated to the
27 endowment for the benefit of the foundation.

28 (b) The endowment shall be held and invested by the Alaska Permanent Fund
29 Corporation subject to AS 37.13.120; however, net income from the endowment shall
30 be distributed under AS 44.33.900 - 44.33.965. Net income from the endowment may
31 not be included in the computation of net income available for distribution under

1 **AS 37.13.140.**

2 **Sec. 44.33.925. ENDOWMENT INCOME, EXPENSES, AND GRANTS. (a)**

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

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

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

14 (d) The board of directors shall distribute the income of the endowment
15 through competitive grants under AS 44.33.900 - 44.33.965. The board may disburse
16 money that is received by the foundation for special or general purposes.

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

20 **Sec. 44.33.930. BOARD OF DIRECTORS. (a) The foundation is governed**
21 **and administered by a board of directors appointed by the governor to serve staggered**
22 **terms of four years. A member serves on the board until a successor qualifies and is**
23 **appointed. A member of the board of directors may be removed from the board by**
24 **the governor for cause.**

25 (b) The board of directors is composed of nine members, as follows:

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

29 (2) two members must be scientists or engineers residing outside
30 Alaska who are recognized contributors in the science or engineering fields;

31 (3) four members of the public, at least two of whom have recognized

1 expertise or experience in resource development, manufacturing, finance,
2 telecommunications, or public health;

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

5 Sec. 44.33.935. ELECTION OF OFFICERS. The board of directors shall
6 elect a chairperson and a secretary from its members, each to serve for a term not to
7 exceed two years.

8 Sec. 44.33.940. QUORUM. A majority of the voting members of the board
9 constitutes a quorum for the transaction of business.

10 Sec. 44.33.945. MEETINGS AND REIMBURSEMENT FOR EXPENSES.
11 The board shall meet at least twice a year. Additional meetings may be called at the
12 discretion of the chairperson. Board members are entitled to per diem and travel
13 expenses authorized for boards and commissions under AS 39.20.180. Board
14 members not employed by the state or the University of Alaska receive an honorarium
15 of \$200 for each day spent on official business of the board, not to exceed a total of
16 30 days per annum.

17 Sec. 44.33.950. STAFF. The board of directors shall employ and determine
18 the salary of an executive director, subject to AS 37.07. The executive director serves
19 at the pleasure of the board. The executive director may, with approval of the board,
20 select and employ additional staff as necessary. An employee of the foundation,
21 including the executive director, may not be a member of the board. The executive
22 director and the other employees of the foundation are in the exempt service under
23 AS 39.25.110.

24 Sec. 44.33.955. GRANT PROCEDURES, LIMITATION, AND
25 REQUIREMENTS. (a) The board of directors shall provide adequate and appropriate
26 notice of all solicitations for grant proposals at least once a year. The board shall
27 give preference, consistent with the purposes of AS 44.33.900(b)(2), to soliciting
28 proposals for research projects that are reasonably expected to use or enhance research
29 capabilities for basic and applied research in the state. The board may actively solicit
30 persons, organizations, or institutions to apply for general or specific grants.

31 (b) Grant proposals must be submitted for impartial and competitive peer

1 review for scientific and technical validity by a panel of recognized experts appointed
2 by the board of directors. Members of a peer review panel are entitled to per diem
3 and travel expenses authorized under AS 39.20.180. The identity of members of a
4 peer review panel is confidential until final action is taken by the board on the grant
5 proposal. The board shall consider the recommendations of the panel in deciding
6 whether to award a grant. The board may exempt grants of \$5,000 or less from peer
7 review.

8 (c) Grant awards by the board must be consistent with the policy and research
9 priorities identified by the foundation.

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

13 (e) The board of directors shall, as a condition of a grant, and as necessary,
14 set the maximum percentage of a grant award that may be spent by a grantee to pay
15 for overhead costs of the grantee's project.

16 (f) The board shall require from each grant recipient periodic reports and a
17 final report. The board shall disseminate to the scientific community and to the
18 public, on a regular basis, the results of research sponsored by the foundation.
19 Proprietary reports and other information voluntarily filed with the board or critical
20 to patent applications may be kept confidential if the person providing the information
21 so requests and the board finds that it is in the best interests of the state. Information
22 developed under a grant awarded by the board is public information unless the
23 applicant requests and the board grants confidentiality before the award of the grant.
24 Dissemination of sponsored research must be in a form of greatest utility to the
25 scientific community and the general public and may include technological transfer
26 or applications information for promising results.

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

31 (h) In awarding a grant under AS 44.33.900 - 44.33.965, the board of

1 directors shall give preference to an applicant who is an Alaska resident, association,
2 organization, or institution. If the board determines that an Alaskan applicant does
3 not have the expertise or capability to satisfactorily perform the grant research without
4 assistance from an out-of-state person or institution, the board may award a grant,
5 jointly, to the Alaskan applicant and an approved out-of-state person or institution.
6 If a grant is awarded to an out-of-state person or institution, the board may require
7 that the out-of-state grantee associate with an Alaska scientific or technical
8 organization while performing the grant research. In all cases, a grant may be
9 awarded only if the board determines that the research to be performed will further
10 the purposes of the foundation under AS 44.33.900(b)(2).

11 (i) A grant may include money to obtain equipment. The equipment is the
12 property of the foundation. At the termination of the grant, the equipment shall be
13 disposed of at the discretion of the board.

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

16 Sec. 44.33.960. CONFLICT OF INTEREST. (a) Members of the board of
17 directors are subject to AS 39.52 (Alaska Executive Branch Ethics Act).

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

21 Sec. 44.33.965. REGULATIONS. The board of directors may adopt
22 regulations to implement AS 44.33.900 - 44.33.965.

23 * Sec. 4. AS 37.17.010, 37.17.020, 37.17.030, 37.17.040, 37.17.050, 37.17.060, 37.17.070,
24 37.17.080, 37.17.090, 37.17.100, 37.17.110; AS 44.19.251, 44.19.255, 44.19.257, 44.19.259,
25 44.19.261, 44.19.263, 44.19.264, and 44.19.265 are repealed.

26 * Sec. 5. TRANSITION. (a) Litigation, hearings, investigations, and other proceedings
27 pending under a law amended or repealed by this Order, or in connection with functions
28 transferred by this Order, continue in effect and may be continued and completed
29 notwithstanding a transfer or amendment or repeal provided for in this Order.

30 (b) Contracts, rights, liabilities, and obligations created by or under a law amended
31 or repealed by this Executive Order, and in effect on July 1, 1993, remain in effect

1 notwithstanding this Order's taking effect. Records, equipment, appropriations, and other
2 property of agencies of the state whose functions are transferred under this Order shall be
3 transferred to implement the provisions of this Order.

4 (c) The regulations adopted by the Alaska Science and Technology Foundation under
5 authority of AS 37.17, before July 1, 1993, remain in effect and may be implemented and
6 enforced until the foundation adopts regulations under AS 44.33.965, and those regulations
7 take effect.

8 * Sec. 6. This Order takes effect July 1, 1993.

DATED: _____

Walter J. Hickel
Governor