

HB

171

CS FOR HOUSE BILL NO. 171(HES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered:

Referred:

Sponsor(s): REPRESENTATIVE MARTIN

A BILL

FOR AN ACT ENTITLED

1 "An Act providing that the commissioner of education serves at the pleasure of
2 the Board of Education; and providing for an effective date."

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

4 * Section 1. AS 14.07.145(c) is amended to read:

5 (c) The commissioner serves at the pleasure of the board [MAY BE
6 APPOINTED BY THE BOARD FOR A TERM OF OFFICE NOT TO EXCEED FIVE
7 YEARS. THE COMMISSIONER MAY BE REMOVED DURING A TERM OF
8 OFFICE BY FOUR MEMBERS OF THE BOARD FOR CAUSE AS DEFINED IN
9 THIS SECTION].

10 * Sec. 2. AS 14.07.145(f) is repealed.

11 * Sec. 3. This Act applies to appointments made by the Board of Education on or after the
12 effective date of this Act.

13 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

FISCAL NOTE

STATE OF ALASKA

BILL NO. HB 171

1995 LEGISLATIVE SESSION

Revision Date: _____

Department Affected: Education

Title: Commissioner of education serves at the pleasure of the Board of Education

BRU: Executive Administration

Component: Commissioner's Office

Sponsor: Representative Martin

Requester: House HESS Committee

COMPONENT SERIAL NO. 185

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE FUND SOURCE:						
----------------------	--	--	--	--	--	--

FUNDING:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY95) impact: \$ 0.0

ANALYSIS: (Attach a separate page if necessary.)

House Bill 171 states that the commissioner of education serves at the pleasure of the State Board of Education and may not be appointed by the board for a term of office. This legislation will avoid the potential problem of the commissioner of education receiving a contract that crosses terms of governors, thus, possibly preventing a costly settlement.

Prepared by: Sheila Peterson, Special Assistant

Phone: 465-2803

Division: Commissioner's Office

Date: March 13, 1995

Approved by Commissioner: [Signature]

Shirley Holloway

Agency: Education

Date: March 13, 1995

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information call the Governor's Legislative Office

HOUSE COMMITTEE REPORT

(7)

Date Referred: February 10, 1995

FURTHER REFERRALS:

Finance

Date of Committee Action: 3/30/95

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered:

HB 171

HOUSE BILL NO. 171

COMMR OF EDUCATION SERVES AT BDS PLEASURE

"An Act providing that the commissioner of education serves at the pleasure of the Board of Education; and providing for an effective date."

recommends it be replaced with the following committee substitute CS HB 171 (HES) the same title a new title

additional referral to _____ Committee

attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____

APPROVES PREVIOUS: (Dept/Date) _____

fiscal note(s) _____

fiscal note(s) _____

zero fiscal note(s) DOE

zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>[Signature]</i>	<input checked="" type="checkbox"/>			
<i>[Signature]</i>	<input checked="" type="checkbox"/>			
<i>[Signature]</i>	<input checked="" type="checkbox"/>			
<i>[Signature]</i>	<input checked="" type="checkbox"/>			
<i>[Signature]</i>			<input checked="" type="checkbox"/>	

CHAIR'S SIGNATURE

[Signature]

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE MARTIN

TO: HB 171

1 Page 1, line 2, after " ; ":

2 Insert "prohibiting the use of state money for severance pay or other separation
3 bonus for certain public officials;"

4 Page 1, after line 8:

5 Insert new bill sections to read:

6 "* Sec. 2. AS 39.20 is amended by adding a new section to article 1 to read:

7 Sec. 39.20.095. SEVERANCE PAY. Unless they qualify under a general law
8 applicable to all qualified persons, the following persons may not be paid severance
9 pay or other separation bonus:

10 (1) members of the board of directors and executive directors of public
11 corporations, including the members of the board of directors and the chief executive
12 officer of the Alaska Railroad Corporation;

13 (2) principal executive officers of principal state departments;

14 (3) members of boards, commissions, and authorities whose
15 appointments are subject to confirmation by the legislature.

16 * Sec. 3. AS 42.40.710 is amended to read:

17 Sec. 42.40.710. CORPORATION EMPLOYEES. Employees of the Alaska
18 Railroad are employees of the corporation and not of the state. The provisions of
19 AS 39 do not apply to employees of the corporation except for AS 39.20.095.
20 However, no later than January 1, 1987, the corporation shall adopt a code of ethics
21 for its directors and employees that is substantially equivalent to that adopted in
22 AS 39."

23 Renumber the following bill sections accordingly.

1 Page 1, line 10:

2 Delete "This Act applies"

3 Insert "Sections 1 and 4 of this Act apply"

4 Page 1, after line 11:

5 Insert a new bill section to read:

6 "* Sec. 6. Sections 2 and 3 of this Act do not affect an agreement entered into before the
7 effective date of this Act."

8 Renumber the following bill section accordingly.

REPRESENTATIVE
TERRY MARTIN
CHAIRMAN
BUDGET & AUDIT COMMITTEE
MEMBER
HOUSE FINANCE COMMITTEE

Alaska State Legislature



MAY 15 - JAN 15 258-8169
716 W. 4TH, SUITE 650
ANCHORAGE, AK 99504

JAN 15 - MAY 15 465-3783
STATE CAPITOL
JUNEAU, AK 99801-1182

HOME 333-6990
355 DONNA DRIVE, #11
ANCHORAGE, AK 99504

Sponsor Statement HB171

**Providing that the Commissioner of Education serve at
the pleasure of the Board of Education**

This legislation is in response to the recent removal of the commissioner of Education by the governor which included a payoff of \$120,000 including a lump sum of \$40,000 and a 17-month \$55,000 per year job within the University system.

These types of severance and/or payoff enticements should be eliminated. Since the bill requires the commissioner to serve at the pleasure of the Board of Education, no longer will the executive branch be bound to incur these additional costs during a change of administration.

In addition, please review and pass the attached amendment which will further curtail the problem.



Commissioner's resignation came with job deal

Covey gets \$40,000 cash, 17-month contract with university

By ED SCHOENFELD

THE JUNEAU EMPIRE

The Knowles administration is spending up to \$120,000 to get rid of the Hicikel administration's public schools boss.

That includes a lump sum of about \$40,000 the administration is paying Jerry Covey in return for his resignation late last week as state Education Department commissioner.

It also includes a 17-month, \$55,000-a-year job at the University of Alaska Southeast created especially for Covey.

"This is not a position we had budgeted for, so we'll make it

work the best we can," UAS Chancellor Marshall Lind said Monday.

The payoff also includes up to about \$6,200 in moving expenses if Covey decides to leave Juneau after the UAS job ends.

No other top official from the Hicikel administration was offered such a deal to resign, said Bob King, spokesman for Gov. Tony Knowles.

That's because no other commissioner had a contract guaranteeing a job into the next administration.

Unlike most Cabinet members, the Education commissioner works directly for his depart-

ment's governing board. In Covey's case, the board of Hicikel appointees had authorized a contract guaranteeing his \$83,844-a-year job through July 16, 1996.

Had he continued, his contract would have paid him about \$110,000 to \$120,000, plus benefits for the next 17 months.

When Knowles decided to replace Covey, as he did all but one of Hicikel's commissioners, he chose to make use of his remaining time on salary, King said.

"Rather than just buy out the contract with commissioner Covey, it was better to work it out," King said.

Covey, Lind and state attorneys worked out the agreement creating a job at UAS as a visiting associate professor of education administration.

In the new job, Covey will work on issues developed by Hicikel's Alaska 2000 school reform initiative, which he oversaw.

For the first seven months, Covey will research and write a report on how schools can prepare students better for jobs after high school. Beginning next fall, he will teach graduate courses in educational leadership at UAS.

Covey also will supervise stu-



EMPIRE FILE PHOTO

Please see Covey, back page

JERRY COVEY

BACKUP

Covey...

Continued from Page 1

dents in an internship program that trains them as principals and superintendents. He also will work on projects that train school staff on how to put new teaching standards into place.

"This came up rather quickly last week and was the result of discussions we had with Jerry and people in the administration," Lind said. "They asked if we were interested in doing something like this and we have a lot of respect for Jerry and what he has done, so we said, 'Sure.'"

The Education Department will pay UAS between \$72,000 and \$73,000 to cover Covey's salary. UAS will have no costs, other than providing office space, equipment and limited staff support, Lind said.

Another benefit of Covey's new job is that it will keep him in government employment. It will bring him within a few months of hitting his 20-year anniversary with the state teachers retirement system, said state retirement and benefits director Bob Stalnaker.

At 20 years, Covey can retire with full benefits, Stalnaker said.

The agreement detailing the payments and job only guarantees Covey a job through the end of his commissioner's contract. The agreement, however, gives UAS the option of keeping Covey on staff beyond that date.

The agreement was signed Friday, the day Covey cleared out his state office and celebrated his 40th birthday.

Though he is gone, Covey is technically on staff at the Education Department through Feb. 21, collecting leave. He will begin his UAS job Feb. 22.

Covey has not returned calls made to his home and office phones since Thursday, when Knowles announced his termination was "imminent."

Knowles' payoff of Covey's contract is probably a first for the state, said Lind, who served as Education commissioner under three governors.

That's because commissioners were either kept on by new gover-

nors or quit before their old bosses left office.

King said Knowles doesn't like the contract that led to Covey's payoff and will introduce legislation repealing the state board's right to sign a contract with their commissioner.

Though Covey is gone, the board that signed the contract with him remains.

The Knowles administration, however, expects to replace all or most of the board soon, said boards and commissions special assistant Cindy Smith.

About 90 people have applied for seats on the seven-member board, including Lind, former Soldotna Sen. Suzanne Little and Juneau school board member Edith McHenry.

Selection of a commissioner likely will begin after a new board is chosen, said acting Education Commissioner Mike Maher.

The board usually screens applicants and recommends one or several finalists to the governor, who makes the appointment, Maher said.



Alaska State Legislature

House of Representatives

COMMITTEE ON HEALTH, EDUCATION AND SOCIAL SERVICES

DATE: MAR 30

PLACE: Capitol Room 106

SUBJECT OF MEETING:
HB 171: Comm. of Ed
Serves at Board's
Pleasure.

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?		WHAT SUBJECT/ WHICH BILL?
MARY HALLORAN	LAW				2132	<input checked="" type="radio"/>	N	HB 171
MARK HICKEY	ALASKA RAILROAD	211 4TH ST. SUITE 108 JUNEAU 99801				<input checked="" type="radio"/>	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	