

LEG. FINANCE - BILLS 1979 - 1980 1152

HB 684 thru HB 687 • • 1152



# RECORDS CERTIFICATION



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James O Smith  
Signature of Camera Operator

3/20/90  
Date



Original sponsor: Rules/Governor

Offered: 2/14/80  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR HOUSE BILL NO. 684

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to permissible investments of the  
7 state; creating a division of treasury; and providing  
8 for an effective date."

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

10 \* Section 1. AS 37.10.050 is amended to read:

11 Sec. 37.10.050. ACCOUNTING FOR STATE MONEY AND PAYMENT TO DIVISION  
12 OF TREASURY [DEPARTMENT OF REVENUE] FOR DEPOSIT IN PROPER FUND. (a)  
13 Each office, board, commission, or bureau authorized to collect or  
14 receive fees, licenses, taxes or other money belonging to the state  
15 shall account for and pay the fees, licenses, taxes or other money, less  
16 fees to which he is entitled by law to the division of treasury of the  
17 Department of Revenue at least once each month.

18 (b) Money collected for the state shall be deposited by the col-  
19 lector in the nearest bank to the account of the division of treasury  
20 [DEPARTMENT OF REVENUE] when the division of treasury [DEPARTMENT OF  
21 REVENUE] directs this to be done.

22 (c) The division of treasury [DEPARTMENT OF REVENUE] in June and  
23 December of each year shall publish in at least one newspaper of general  
24 circulation in each of the four judicial districts a detailed report in  
25 display advertising form of the amount of state money deposited in each  
26 named bank or other financial institution. A copy of the semiannual  
27 report on bank deposits shall also be sent to the Legislative Affairs  
28 Agency for distribution of copies to the members of the legislature.  
29 The terms of the deposit may be obtained upon a written request.

1 \* Sec. 2. AS 37.10.070(a) is amended to read:

2 (a) When the commissioner of revenue determines that there is in  
3 the state treasury a surplus above an amount sufficient to meet current  
4 cash expenditure needs, he shall direct the director of the division of  
5 treasury to invest the surplus. The director may invest the surplus  
6 [THE SURPLUS SHALL BE INVESTED] in any of the following:

7 (1) obligations of, or obligations insured or guaranteed by,  
8 the United States or agencies or instrumentalities of the United States;

9 (2) obligations secured by reserves paid in by the United  
10 States or agencies or instrumentalities of the United States or obli-  
11 gations of corporations in which the United States is a shareholder or  
12 member;

13 (3) notes issued by Farmer's Home Administration;

14 (4) bank certificates of deposit which are secured as to the  
15 payment of principal and interest in accordance with Alaska law;

16 (5) corporate obligations of prime or equivalent quality, as  
17 rated by a nationally recognized rating organization;

18 (6) other securities, including corporate securities;

19 (7) Federal Housing Administration mortgages;

20 (8) Federal Veterans Administration mortgages;

21 (9) loans made under the provisions of AS 03.10 and AS 26.15;

22 [(10) CONVENTIONAL RESIDENTIAL MORTGAGES IF THE OFFERING FIN-  
23 ANCIAL INSTITUTION RETAINS AT LEAST 25 PERCENT OF THE MORTGAGE;

24 (11) OTHER SECURED LOANS, IF THE OFFERING FINANCIAL INSTITU-  
25 TION RETAINS AT LEAST 33 1/3 PERCENT OF THE MORTGAGE;]

26 (12) mortgages of the Alaska Rural Rehabilitation Corporation  
27 which secure agricultural loans, agricultural business loans and agri-  
28 cultural processing loans;

29 (13) bankers acceptances drawn on and accepted by banks with a

1 combined capital and surplus aggregating at least \$200,000,000;

2 (14) repurchase agreements or reverse repurchase agreements.

3 \* Sec. 3. AS 37.10.070(a) is amended by adding a new paragraph to read:

4 (15) notes secured by mortgages of commercial or residential  
5 real estate or other security if the mortgages are insured by a private  
6 mortgage insurance corporation which is authorized to do business in  
7 Alaska which has combined capital, surplus, and reserves aggregating at  
8 least \$20,000,000; however, (A) no mortgage insurance is necessary for  
9 commercial loans having loan-to-value ratios of less than 50 percent and  
10 the minimum required coverage of other commercial loans is 10 percent of  
11 those having a loan-to-value ratio of 50-60 percent and is 15 percent  
12 for those having a loan-to-value ratio greater than 60 percent but no  
13 more than 75 percent, and (B) no mortgage insurance is necessary for  
14 residential loans having a loan-to-value ratio of less than 70 percent  
15 and the minimum required coverage of other residential loans is 10  
16 percent for those having a loan-to-value ratio greater than 70 percent  
17 but less than 90 percent and is 20 percent for those having a loan-to-  
18 value ratio of 90 percent.

19 \* Sec. 4. AS 37.10.070(f) is repealed and re-enacted to read:

20 (f) Investment policy shall be formulated by the director of the  
21 division of treasury of the Department of Revenue subject to the ap-  
22 proval of the commissioner of revenue. In formulating investment policy  
23 the director of the division of treasury shall consider maximum income  
24 and safety as governed by the prudent-man rule. The investment policy  
25 shall be proposed to the legislature during the first 10 days of any  
26 regular session. Investment policy only becomes effective 60 days after  
27 presentation to the legislature or at the end of that session, whichever  
28 is earlier, unless disapproved by a resolution concurred in by a major-  
29 ity of the members of each house of the legislature.

1 \* Sec. 5. AS 37.10.070(g) is amended to read:

2 (g) The director of the division of treasury [COMMISSIONER OF  
3 REVENUE, WITH THE CONSENT OF THE COMMITTEE,] may enter into contracts  
4 for services providing investment advice, custody of securities, and  
5 execution of transactions, in or out of Alaska.

6 \* Sec. 6. AS 37.10.070(i) is amended to read:

7 (i) The director of the division of treasury [COMMISSIONER] shall  
8 purchase notes and mortgages under (a) of this section at a rate con-  
9 ductive to develop and benefit Alaska and Alaska residents and this rate  
10 may be less than the market rate.

11 \* Sec. 7. AS 37.10.070 is amended by adding a new subsection to read:

12 (k) In making investments under (a) of this section, the director  
13 of the division of treasury may pool the surplus assets of the state  
14 funds but shall maintain separate accounts for each fund.

15 \* Sec. 8. AS 37.10.075(a) is amended to read:

16 (a) When the commissioner of revenue determines that there are  
17 funds in the state treasury which are not being used for the purposes  
18 provided for in AS 37.10.070, he may direct the director of the divi-  
19 sion of treasury to deposit the funds [THEY MAY BE DEPOSITED] in finan-  
20 cial institutions in the state which offer the highest bid for the state  
21 funds. Collateral may be required by the commissioner to secure state  
22 deposits provided for under this section.

23 \* Sec. 9. AS 44.25 is amended by adding a new section to read:

24 Sec. 44.25.025. DIVISION OF TREASURY. (a) There is estab-  
25 lished within the Department of Revenue the division of treasury. The director  
26 of the division is in the classified service under AS 39.25 and shall  
27 receive an annual salary within range 27 of the salary schedule estab-  
28 lished in AS 39.27.011 or within one range below that on which the  
29 highest paid deputy commissioner in the Department of Revenue is paid if

1 that range is higher than range 27.

2 (b) In order to qualify for the position of director of the divi-  
3 sion, a person must

4 (1) be graduated from an accredited college with major course  
5 work in business administration, accounting, finance, banking, econ-  
6 omics, or another closely related field;

7 (2) have five years of experience in banking or investment  
8 management involving review, analysis, purchase and sell recomenda-  
9 tions, and responsibility for performance with at least four of the  
10 years in a managerial capacity.

11 (c) The director of the division of treasury shall collect, ac-  
12 count for, have custody of, invest, and manage all state funds, except  
13 the permanent fund, and all revenues of the state except revenues inci-  
14 dental to a program of licensing and regulation carried on by another  
15 state department. However, the division shall issue fish and game  
16 licenses, collect fish and game license revenues, and do all other acts  
17 incidental to the performance of those functions.

18 \* Sec. 10. AS 39.25.120(2) is amended to read:

19 (2) the directors, division of personnel, division of public  
20 health, division of medical assistance, and those other directors of the  
21 major divisions of the principal departments of the executive branch as  
22 are specifically designated by the governor, except the director of the  
23 division of treasury is in the classified service and may not be desig-  
24 nated as partially exempt;

25 \* Sec. 11. Section 3 of this Act is retroactive to November 1, 1979.

26 \* Sec. 12. This Act takes effect immediately in accordance with AS 01.10.-  
27 070(c).

28  
29

- Sec. 1. Provides that accounting for state monies shall be through the DIVISION OF TREASURY rather than the Department of Revenue.
- Sec. 2. The DEPARTMENT OF TREASURY is made responsible for investment of surplus state funds. The eligible investment schedule has three changes:
- A. The provisions requiring 25% retention of mortgages by offering financial institutions is deleted. (see page 2., line 22)
  - B. The 1/3 bank participation requirement for secured loans is also deleted. (see page 2., (line 24)
- Sec. 3. These are the house "bail-out" provisions for revenue. *Sec. may be changed.*
- Sec. 4. Makes the Director of the Division of Treasury responsible for formulation of state investment policy.
- Sec. 5. Gives the Director of the Division of Treasury authority to enter into necessary contracts for carrying out his job.
- Sec. 6. Gives the Director of the Division of Treasury the authority presently held by the Commissioner of Revenue to purchase notes and mortgages from Alaskans at "a rate conducive to develop and benefit Alaska and Alaskan residents and the rate may be less than the market rate."
- Sec. 7. Allows pooling of surplus funds but requires separate accounts for each account.
- Sec. 8. Allows the Director of the Division of Treasury to deposit state funds in financial institutions based on the highest bid from the institutions.
- Sec. 9. The DIVISION OF TREASURY IS CREATED and the Director's qualifications are set out. *Bushnell out*
- Sec. 10. Provides that the Director of the Division of Treasury is a classified position. *NO*
- Sec. 11. Makes the "bail-out" provisions of this bill retroactive to November 1, 1979; (this is to cover the \$50,000,000 mess up.)

- C. Allows investment in repurchase or reverse repurchase agreements. (short term paper)

The effect of the new provisions is to clearly define and assign the powers and duties of the DIVISION OF TREASURY and the DIRECTOR OF THE DIVISION OF TREASURY.

The bill provides tools for sound management of state surplus funds. The bill provides a framework for avoiding the problem; that have resulted in the necessity for the present "bail-out" of the Commissioner of Revenue.

SENATE AMENDMENT #3

By COLLETTA

To: \_\_\_\_\_ SENATE BILL No. \_\_\_\_\_

To: \_\_\_\_\_ SCS \_\_\_\_\_ HOUSE BILL No. 684

PAGE: 3            LINE: 19

Sec. 37.10.070 (c) is amended to read:

(c) When the aggregate of all loans purchased from a financial institution becomes more than three [ONE-HALF] per cent 60 days delinquent, the state shall discontinue purchasing loans from that financial institution until the delinquency is reduced to less than three [ONE-HALF] per cent.

PAGE: 4            LINE: 26

Delete the following:

"is in the classified service under AS 39.25 and"

SENATE AMENDMENT

# 2

BY

Johanna

TO: SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 684

Page 5, lines 18 - 24: delete entire Section 10.

renumber accordingly

*Hahn*

SENATE AMENDMENT

#1

TO: SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 684

Page 5, line 11: add new subsection to read:

(3) The requirements in subsection 1 and 2 of this section do not apply if the director of the division is presently serving as Deputy Commissioner of the Treasury.

Original sponsor: Rules/Governor

Offered: 2/14/80  
Referred: Rules

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17 Department of Revenue at least once each month.

18 (b) Money collected for the state shall be deposited by the col-  
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10 the minimum required coverage of other commercial loans is 10 percent of  
11 those having a loan-to-value ratio of 50-60 percent and is 15 percent  
12 for those having a loan-to-value ratio greater than 60 percent but no  
13 more than 75 percent, and (B) no mortgage insurance is necessary for  
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24 and safety as governed by the prudent-man rule. The investment policy  
25 shall be proposed to the legislature during the first 10 days of any  
26 regular session. Investment policy only becomes effective 60 days after  
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24 Sec. 44.25.025. DIVISION OF TREASURY. (a) There is established  
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28 lished in AS 39.27.011 or within one range below that on which the  
29 highest paid deputy commissioner in the Department of Revenue is paid if

1 that range is higher than range 27.

2 (b) In order to qualify for the position of director of the divi-  
3 sion, a person must

4 (1) be graduated from an accredited college with major course  
5 work in business administration, accounting, finance, banking, econ-  
6 omics, or another closely related field;

7 (2) have five years of experience in banking or investment  
8 management involving review, analysis, purchase and sell recommenda-  
9 tions, and responsibility for performance with at least four of the  
10 years in a managerial capacity.

11 (c) The director of the division of treasury shall collect, ac-  
12 count for, have custody of, invest, and manage all state funds, except  
13 the permanent fund, and all revenues of the state except revenues inci-  
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15 state department. However, the division shall issue fish and game  
16 licenses, collect fish and game license revenues, and do all other acts  
17 incidental to the performance of those functions.

18 \* Sec. 10. AS 39.25.120(2) is amended to read:

19 (2) the directors, division of personnel, division of public  
20 health, division of medical assistance, and those other directors of the  
21 major divisions of the principal departments of the executive branch as  
22 are specifically designated by the governor, except the director of the  
23 division of treasury is in the classified service and may not be desig-  
24 nated as partially exempt;

25 \* Sec. 11. Section 3 of this Act is retroactive to November 1, 1979.

26 \* Sec. 12. This Act takes effect immediately in accordance with AS 01.10.-  
27 070(c).

28  
29

Introduced: 2/6/80  
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 684

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act to allow certain investments of the general  
7 fund in insured mortgages; and providing for an  
8 effective date."

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

10 \* Section 1. AS 37.10.070(a) is amended by adding a new paragraph to  
11 read:

12 (14) notes secured by mortgages of commercial or residential  
13 real estate or other security if the mortgages are insured by a private  
14 mortgage insurance corporation which is authorized to do business in  
15 Alaska and has combined capital, surplus, and reserves aggregating at  
16 least \$20,000,000; however, (A) no mortgage insurance is necessary for  
17 commercial loans having loan-to-value ratios of less than 50 percent  
18 and the minimum required coverage of other commercial loans is 10  
19 percent of those having a loan-to-value ratio of 50-60 percent and is  
20 15 percent for those having a loan-to-value ratio greater than 60  
21 percent but no more than 75 percent, and (B) no mortgage insurance is  
22 necessary for residential loans having a loan-to-value ratio of less  
23 than 70 percent and the minimum required coverage of other residential  
24 loans is 10 percent for those having a loan-to-value ratio greater  
25 than 70 percent but less than 90 percent and is 20 percent for those  
26 having a loan-to-value ratio of 90 percent.

27 \* Sec. 2. This Act is retroactive to November 1, 1979.

28 \* Sec. 3. This Act takes effective immediately in accordance with AS 01.-  
29 10.070(c).



# LAWS OF ALASKA

1980

Source

Chapter No.

HB 684

4

## AN ACT

Allowing certain investments of the general fund in insured mortgages; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 10

Approved by the Governor: February 26, 1980  
Actual Effective Date: February 27, 1980 retroactive  
to November 1, 1979

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SENATE AMENDMENT

#1

TO: SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 684

Page 5, line 11: add new subsection to read:

(3) The requirements in subsection 1 and 2 of this section do not apply if the director of the division is presently serving as Deputy Commissioner of the Treasury.

SENATE AMENDMENT

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BY \_\_\_\_\_

TO: SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 684

Page 5, lines 18 - 24: delete entire Section 10.

renumber accordingly

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By COLLETTA

To: \_\_\_\_\_ SENATE BILL No. \_\_\_\_\_

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Sec. 37.10.070 (c) is amended to read:

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PAGE: 4      LINE: 26

Delete the following:

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Introduced: 2/6/80  
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14B 684

STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

February 6, 1980

The Honorable Terry Gardiner  
Speaker of the House  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill which makes a technical amendment to the state's investment authority to allow general fund surplus to be invested in insured mortgages without the requirement of participation by state financial institutions. This investment option is already available to the state pension funds under AS 39.35.110(a)(11) and AS 14.25.180(b)(11). This measure is intended to provide only an interim solution to the statewide shortage of home mortgage capital, by permitting the type of program suggested by the current HCR 33. The bill is made retroactive to November 1, 1979 as the simplest way to cure the technical defects in a loan program already implemented by the Department of Revenue.

Sincerely,

A large, stylized handwritten signature of Jay S. Hammond, written in dark ink.

Jay S. Hammond  
Governor

- Sec. 1. Provides that accounting for state monies shall be through the DIVISION OF TREASURY rather than the Department of Revenue.
- Sec. 2. The DEPARTMENT OF TREASURY is made rewsponsible for investment of surplus state funds. The eligible investment schedule has three changes:
- A. The provisions requiring 25% retention of mortgages by offering financial institutions is deleted. (see page 2., line 22)
  - B. The 1/3 bank participation requierement for secured loans is also deleted. (see page 2., (line 24)
- Sec. 3. These are the house "bail-out" provisions for revenue. *See next page for C*
- Sec. 4. Makes the Director of the Division of Treasury responsible for formulation of state investment policy.
- Sec. 5. Gives the Director of the Divison of Treasury authority to enter into necewssary contracts for carrying out his job.
- Sec. 6. Gives the Director of the Divison of Treasury the authority presently held by the Commissioner of Revenue to purchase notes and mortgages from Alaskans at "a rate conducive to develop and benefit Alaska and Alaskan residents and the rate may be less than the market rate."
- Sec. 7. Allows pooling of surplus funds but requires separate accounts for each account.
- Sec. 8. Allows the Director of the Division of Treasury to deposit state funds in financial institutions based on the highest bid from the institutions.
- Sec. 9. The DIVISION OF TREASURY IS CREATED and the Director's qualifications are set out.
- Sec. 10. Provides that the Director of the Division of Treasury is a classified position.
- Sec. 11. Makes the "bail-out" provisions of this bill retroactive to November 1, 1979; (this is to cover the \$50,000,000 mess up.)

C. Allows investment in repurchase or reverse repurchase agreements. (short term paper)

The effect of the new provisions is to clearly define and assign the powers and duties of the DIVISION OF TREASURY and the DIRECTOR OF THE DIVISION OF TREASURY.

The bill provides tools for sound management of state surplus funds. The bill provides a framework for avoiding the problems that have resulted in the necessity for the present "bail-out" of the Commissioner of Revenue.

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 684  
 Title An act to allow certain investments of the general fund in insured  
 Requested by Governor Date 2/5/80 mortgages

II. FISCAL DETAIL

Agency Affected Department of Revenue  
 Program Category Affected \_\_\_\_\_  
 BRU, Program, or Subprogram(s) Affected \_\_\_\_\_  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

NO FISCAL IMPACT

RECEIVED  
FEB 6 1980

BUDGET/AUDIT  
COMMITTEE

IV. DATE 2/5/80 PREPARED BY Thomas K. Williams  
 AGENCY Department of Revenue  
 PHONE 465-2300

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HOUSE BILL NO. 684  
 Title An act to allow certain investments of the general fund in insured  
 Requested by Governor Date 2/5/80 mortgages

II. FISCAL DETAIL

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 Program Category Affected \_\_\_\_\_  
 BRU, Program, or Subprogram(s) Affected \_\_\_\_\_  
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FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

NO FISCAL IMPACT

IV. DATE 2/5/80 PREPARED BY Thomas K. Williams  
 AGENCY Department of Revenue  
 PHONE 465-2300  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

**CATEGORY:** GENERAL GOVERNMENT

**AGENCY:** REVENUE

**PROGRAM:** REVENUE COLLECTION AND MANAGEMENT

**BRU (S):** AUDIT; PETROLEUM REVENUE; ENFORCEMENT; TREASURY  
MANAGEMENT; ADMINISTRATION AND SUPPORT

All Department of Revenue BRU's in the Revenue Collection and Management cover program are included herein. A major emphasis on identifying the "invisible taxpayer" is planned in the FY 81 budget, primarily in the BRUs of Audit, Enforcement, and Administration and Support.

The goals of the Audit BRU are to achieve effective compliance by taxpayers with the tax laws of Alaska, and to raise revenues through an effective audit program. The Revenue Audit staff concentrates on corporate and individual income tax, estate taxes, excise taxes, business license tax, fisheries tax, mining license tax, and the issuance of permits for games or skill or chance.

The goals of the Petroleum Revenue BRU are to administer state taxes on oil and gas production, which includes the State oil and gas property tax, oil and gas production tax and the oil and gas corporate income tax, and also to coordinate with local governments also taxing that property. The Division of Petroleum Revenue also generates revenue estimates for the State of projected oil and gas related revenues.

The goal of the Enforcement BRU is to enforce the collection of taxes from all taxpayers in a fair and equitable manner. The Division is responsible for billing and collecting all delinquent tax accounts.

The goals of the Treasury Management BRU are to manage available funds for a maximum return consistent with statutory limitations; to place general bonded debt as needed for capital projects at minimum cost to the State; and to report the management of funds in accordance with current reporting standards. The Treasury Management Division works closely with the State Bond Committee in performing these functions. Fund management is centralized for the Public Employees Retirement Fund, the Teachers Retirement Fund, and the General Fund, as well as other special funds.

COMPONENT DESCRIPTION	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	GOVERNOR
AUDIT	2461.5	2530.6	2513.1	2691.6			3223.6
PETROLEUM REVENUE	1279.6	1240.1	1187.3	1435.0			1447.2
ENFORCEMENT	1196.5	1335.4	1324.7	1217.0			1366.3
TREASURY MANAGEMENT	1232.3	1227.9	1120.3	1357.1			1436.9
OFFICE OF THE COMMISSIONER	877.3	1077.4	1054.4	757.6			964.5
ADMINISTRATIVE SERVICES	1630.0	1783.7	1746.5	1773.6			2361.4
FISH AND GAME LICENSING	572.1	580.6	531.6	259.0			298.0
** TOTAL	9249.3	9775.7	9477.9	9490.9			11097.9
** CHANGE VERSUS 80 AUTH							16.9%
OBJECT DESCRIPTION							
PERS. SERV.	6294.0	6685.5	6654.2	6784.4			7519.5
TRAVEL	336.8	333.8	316.3	315.7			419.6
CONTRACTUAL	2218.2	2320.1	2075.1	2031.5			2728.1
COMMODITIES	68.5	69.3	59.0	58.2			80.9
EQUIPMENT	23.5	58.7	65.3				37.0
LANDS/BLDGS	308.3	308.3	308.0	301.1			312.8
FUNDING SOURCE							
GENERAL FUND	8446.3	9040.7	8835.4	8956.9			10520.7
PGM RECEIPTS	308.0	240.0	217.5				
OTHER FUNDS	495.0	495.0	425.0	534.0			577.2
** GENERAL FUND CHANGE VS. 80 AUTH							17.4%
POSITIONS							
FULL-TIME	220.0	220.0	220.0	224.0			237.0
PART-TIME	8.0	8.0	8.0	8.0			21.0
TEMPORARY	14.0	14.0	14.0	13.0			
STAFF MONTHS	2715.1	2715.1	2715.1	2784.0			2944.2

\* Sec. . AS 37.10.050 is amended to read:

Sec. 37.10.050. ACCOUNTING FOR STATE MONEY AND PAYMENT TO DIVISION OF TREASURY [DEPARTMENT OF REVENUE] FOR DEPOSIT IN PROPER FUND. (a)

Each office, board, commission, or bureau authorized to collect or receive fees, licenses, taxes or other money belonging to the state shall account for and pay the fees, licenses, taxes or other money, less fees to which he is entitled by law to the division of treasury of the Department of Revenue at least once each month.

(b) Money collected for the state shall be deposited by the collector in the nearest bank to the account of the division of treasury [DEPARTMENT OF REVENUE] when the division of treasury [DEPARTMENT OF REVENUE] directs this to be done.

(c) The division of treasury [DEPARTMENT OF REVENUE] in June and December of each year shall publish in at least one newspaper of general circulation in each of the four judicial districts a detailed report in display advertising form of the amount of state money deposited in each named bank or other financial institution. A copy of the semiannual report on bank deposits shall also be sent to the Legislative Affairs Agency for distribution of copies to the members of the legislature. The terms of the deposit may be obtained upon a written request.

\* Sec. . AS 37.10.070(a) is amended to read:

(a) When the commissioner of revenue determines that there is in the state treasury a surplus above an amount sufficient to meet current cash expenditure needs, he shall direct the director of the division of treasury to invest the surplus. The director may invest the surplus [THE SURPLUS SHALL BE INVESTED] in any of the following:

- (1) obligations of, or obligations insured or guaranteed by, the United States or agencies or instrumentalities of the United States;
- (2) obligations secured by reserves paid in by the United

States or agencies or instrumentalities of the United States or obligations of corporations in which the United States is a shareholder or member;

(3) notes issued by Farmer's Home Administration;

(4) bank certificates of deposit which are secured as to the payment of principal and interest in accordance with Alaska law;

(5) corporate obligations of prime or equivalent quality, as rated by a nationally recognized rating organization;

(6) other securities, including corporate securities;

(7) Federal Housing Administration mortgages;

(8) Federal Veterans Administration mortgages;

(9) loans made under the provisions of the Alaska loan programs fund (AS 45.96) <sup>Now</sup> [AS 03.10 AND AS 26.15];

~~(10) conventional residential mortgages if the offering financial institution retains at least 25 percent of the mortgage;~~

~~(11) other secured loans, if the offering financial institution retains at least 3 1/3 percent of the mortgage;~~

10 (12) mortgages of the Alaska Rural Rehabilitation Corporation which secure agricultural loans, agricultural business loans and agricultural processing loans;

11 (13) bankers acceptances drawn on and accepted by banks with a combined capital and surplus aggregating at least \$200,000,000;

14 (14) repurchase agreements or reverse repurchase agreements.

\* Sec. . AS 37.10.070(f) is repealed and re-enacted to read:

(f) Investment policy shall be formulated by the director of the division of treasury of the Department of Revenue subject to the approval of the commissioner of revenue. In formulating investment policy the director of the division of treasury shall consider maximum income and safety as governed by the prudent-man rule. The investment policy

(15) Sect #1  
Sect #2 (Sub 15) reworded

(14)

shall be proposed to the legislature during the first 10 days of any regular session. Investment policy only becomes effective 60 days after presentation to the legislature or at the end of that session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house.

\* Sec. . AS 37.10.070(g) is amended to read:

(g) The director of the division of treasury [COMMISSIONER OF REVENUE, WITH THE CONSENT OF THE COMMITTEE,] may enter into contracts for services providing investment advice, custody of securities, and execution of transactions, in or out of Alaska.

\* Sec. . AS 37.10.070(i) is amended to read:

(i) The director of the division of treasury [COMMISSIONER] shall purchase notes and mortgages under (a) of this section at a rate conducive to develop and benefit Alaska and Alaska residents and this rate may be less than the market rate.

\* Sec. . AS 37.10.070 is amended by adding a new subsection to read:

(k) In making investments under (a) of this section, the director of the division of treasury may pool the surplus assets of the state funds but shall maintain separate accounts for each fund.

\* Sec: . . AS 37.10.075(a) is amended to read:

(a) When the commissioner of revenue determines that there are funds in the state treasury which are not being used for the purposes provided for in AS 37.10.070, he may direct the director of the division of treasury to deposit the funds [THEY MAY BE DEPOSITED] in financial institutions in the state which offer the highest bid for the state funds. Collateral may be required by the commissioner to secure state deposits provided for under this section.

Sec. 44.25.025. DIVISION OF TREASURY. (a) There is established in the Department of Revenue the division of treasury. The director of the division is in the classified service under AS 39.25 and shall receive an annual salary within range 27 of the salary schedule established in AS 39.27.011 or within one range below that on which the highest paid deputy commissioner in the Department of Revenue is paid if that range is higher than range 27.

(b) In order to qualify for the position of director of the division, a person must

(1) be graduated from an accredited college with major course work in business administration, accounting, finance, banking, economics, or another closely related field;

(2) have five years of experience in banking or investment management involving review, analysis, purchase and sell recommendations, and responsibility for performance with at least four of the years in a managerial capacity.

(c) The director of the division of treasury shall collect, account for, have custody of, invest, and manage all state funds, except the permanent fund established in AS 37.13, and all revenues of the state except revenues incidental to a program of licensing and regulation carried on by another state department. However, the division of treasury shall issue fish and game licenses, collect fish and game license revenues, and do all other acts incidental to the performance of those functions.

\* Sec. AS 39.25.120(2) is amended to read:

(2) the directors, division of personnel, division of public health, division of medical assistance, and those other directors of the major divisions of the principal departments of the executive branch as are specifically designated by the governor. division of treasury, are in the classified service and may not be designated as partially exempt;



# RECORDS



# CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

  
Signature of Camera Operator

  
Date

ALASKA ENERGY CENTER - CSHB 687  
OPERATING BUDGET - FISCAL YEARS 1981 & 1982

	<u>1st Quarter</u>		<u>2nd Quarter</u>		<u>3d Quarter</u>		<u>4th Quarter</u>		<u>FY 82 Full Operation</u>	
	<u>Expen.</u>	<u>Pos.</u>	<u>Expend.</u>	<u>Pos.</u>	<u>Expend.</u>	<u>Pos.</u>	<u>Expend.</u>	<u>Pos.</u>	<u>Expend.</u>	<u>Positions</u>
<u>PERSONAL SERVICES</u>										
Salaries										
Exec. Director	20.0	1	20.0	1	20.0	1	20.0	1	80.0	1
Dept. Directors			17.5	1	17.5	1	17.5	1	140.0	2
Senior Staff			60.0	4	90.0	6	120.0	8	600.0	10
Professional Staff			67.5	6	112.5	10	157.5	14	900.0	20
Tech/Junior Staff			33.5	4	57.5	6	77.0	8	384.8	10
Secretarial Staff	4.2	1	16.5	4	22.0	5	27.5	6	154.0	7
Total Salaries	<u>24.2</u>	<u>2</u>	<u>215.0</u>	<u>20</u>	<u>319.5</u>	<u>29</u>	<u>419.5</u>	<u>38</u>	<u>2258.8</u>	<u>50</u>
Benefits @ 21%	<u>5.1</u>		<u>45.1</u>		<u>67.1</u>		<u>88.1</u>		<u>474.4</u>	
Total Personal Services	29.3		260.1		386.6		507.6		2733.2	
<u>TRAVEL</u>	50.0		85.0		60.0		85.0		380.0	
<u>CONTRACTUAL</u>										
Rent	48.2		126.8		188.5		247.5		1333.2	
Subcontracts	25.0		100.0		300.0		400.0		2800.0	
Phone/Xerox/Other	<u>10.9</u>		<u>43.2</u>		<u>83.5</u>		<u>114.0</u>		<u>648.4</u>	
Total Contractual	54.9		335.0		572.0		761.5		4761.6	
<u>COMMODITIES</u>			10.0		20.0		30.0		160.0	
<u>EQUIPMENT</u>			<u>50.0</u>		<u>100.0</u>		<u>200.0</u>		<u>800.0</u>	
TOTAL OPERATING	134.2		740.1		1138.6		1584.1		8894.8	

Project Funding - FY 81

Project funding for FY 81 includes \$5 million in general funds and \$10 million in anticipated federal and other receipts. Up to \$2.5 million of the general funds may be used to match other receipts. The Board of Directors of the Energy Center shall submit a plan for expenditure of the remaining \$2.5 million in general funds to the Speaker of the House and the President of the Senate before these funds are encumbered.

Grants & Claims - FY 81

Grants and claims includes \$1,445,000 for the following subcontracts to the University of Alaska Alternative Energy Research Program:

Fuels research program	180,000
Solar technology program	315,000
Heat pump demonstrations	65,000
Biomass fuels research	130,000
Energy economics research	80,000
Coal utilization research	230,000
Wind energy data collection and wind energy atlas	110,000
Waste heat research center	275,000
Fuel cell demonstrations	60,000
	<hr/>
	1,445,000

Grants and claims for FY 82 - FY 85 includes continuation of alternative energy research projects by the University of Alaska under contract to the Alaska Energy Center, with specific projects to be determined by the Board of Directors of the Alaska Energy Center. The legislature intends that technology development and demonstration projects currently being conducted by the following agencies be transferred to the Alaska Energy Center in the FY 82 and subsequent budgets:

University of Alaska  
Division of Energy and Power Development  
Alaska Power Authority  
Department of Transportation and Public Facilities  
all other energy technology development projects

The Board of Directors of the Alaska Energy Center may subcontract to the University of Alaska, other state agencies, or private research firms from the project funding line item for any projects selected by the board.

Appropriations for project funding made to the Alaska Energy Center are for capital projects and are subject to AS 37.25.020.

COMMITTEE REPORT

HOUSE

(11)

4/11/80

FURTHER:

Date: 4-24-80

Mr. Speaker:

The Committee on FINANCE has had HB 687

"An Act establishing the Alaska Energy Center; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for HB 687  same title  
 new title
- and recommends it "do pass"
- AND attaches a "Letter of Intent"  New Fiscal Notes \$46.8 } 4/24  
\$10,000.2
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

Freeman

[Signature]

Rogers

McKinnon

Smith

Wisker

[Signature]

\_\_\_\_\_

\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

[Signature]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Freeman  
Vice CHAIRMAN

Original sponsors: Gardiner, Rogers,  
Branson, et al

Offered: 4/11/80  
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 687

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing the Alaska Energy Center, amending  
7 the Science and Technology Act, and adding fiscal  
8 provisions relating to appropriations for the work of  
9 the Alaska Energy Center; and providing for an effective  
10 date."

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

12 \* Section 1. FINDINGS. The legislature finds that the State of Alaska is  
13 currently receiving substantial revenues from the sale of nonrenewable energy  
14 resources to consumers in other states of the nation. The legislature recognizes  
15 that bringing more efficient and advanced energy technologies to the  
16 stage of commercial development may result in lower energy costs to consumers  
17 throughout the state and the nation. The legislature believes Alaska has a  
18 responsibility to use part of its nonrenewable energy resource revenues to  
19 help accomplish this goal. The legislature finds that an independent energy  
20 resource development center, initially established under the direction of the  
21 state, can best accomplish the aid to individuals and businesses necessary to  
22 develop and implement advanced energy technologies. The legislature further  
23 finds that the work of the center will provide significant employment  
24 benefits to the citizens of the state and will stimulate the development of  
25 the state's energy resources.

26 \* Sec. 2. INTENT. In establishing an Alaska Energy Center and providing  
27 money for its operation, it is the intent of the legislature that the center  
28 act to achieve self-reliance at the earliest possible date.

29 \* Sec. 3. AS 45 is amended by adding a new chapter to read:

Original sponsors: Gardiner, Rogers,  
Branson, et al

Offered: 4/11/80  
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2

CS FOR HOUSE BILL NO. 687

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

ELEVENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act establishing the Alaska Energy Center, amending  
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28 act to achieve self-reliance at the earliest possible date.

29

\* Sec. 3. AS 45 is amended by adding a new chapter to read:

1                                    CHAPTER 89. ALASKA ENERGY CENTER.

2                    Sec. 45.89.010. ALASKA ENERGY CENTER ESTABLISHED. There is estab-  
3 lished the Alaska Energy Center. The center is a public corporation of  
4 the state. It is an instrumentality of the state in the Department of  
5 Administration, but has a legal existence independent of and separate  
6 from the state. Exercise by the center of the powers conferred by this  
7 chapter is an essential governmental function of the state.

8                    Sec. 45.89.020. PURPOSE. The primary purpose of the center is to  
9 create employment opportunities and other benefits in the state through  
10 the development and use of more efficient technologies. The center  
11 shall

- 12                    (1) promote the most efficient and appropriate technologies  
13 for the use and conservation of the state's energy resources;  
14                    (2) provide economic benefits to state citizens;  
15                    (3) promote the effective use of the state's resources;  
16                    (4) promote diversification of employment opportunities;  
17                    (5) reduce state energy imports; and  
18                    (6) bring existing and new technologies to a stage of com-  
19 mercial feasibility.

20                    Sec. 45.89.030. BOARD OF DIRECTORS. A board of directors of the  
21 center is established as its governing body.

22                    Sec. 45.89.040. COMPOSITION OF BOARD OF DIRECTORS. (a) The board  
23 of directors consists of nine members as follows:

24                    (1) seven members appointed by the governor and confirmed by  
25 a majority of the members of the legislature in joint session;

26                    (2) two members of the legislature jointly appointed by the  
27 president of the senate and the speaker of the house of representatives  
28 at the beginning of each legislature.

29                    (b) The board shall elect a chairman and other necessary officers

1 from among its members.

2 Sec. 45.89.050. TERM OF OFFICE. (a) The members of the legisla-  
3 ture appointed to the board serve ex officio as nonvoting members of the  
4 board for the duration of the legislature during which they were ap-  
5 pointed.

6 (b) The members of the board appointed by the governor serve  
7 three-year terms and may be reappointed. Terms shall be staggered.

8 (c) The officers of the board elected under AS 45.89.040(b) serve  
9 a term of three years.

10 Sec. 45.89.060. REMOVAL AND VACANCIES. (a) The governor may  
11 remove from office a board member appointed under AS 45.89.040(a)(1)  
12 with the consent of a majority of the members of the legislature in  
13 joint session. A removal by the governor shall be in writing and state  
14 the reason for removal. If the legislature is not in session, the  
15 governor may suspend a member of the board. After suspension, a board  
16 member may not participate in board business and may not be counted for  
17 the purpose of establishing a quorum. The joint session shall be held  
18 within 10 days from the date of removal, if the removal occurs while the  
19 legislature is in session, or within 30 days of convening of the next  
20 regular session of the legislature, if the legislature is not in session.  
21 If the legislature refuses to consent to removal, the suspension of the  
22 board member is terminated and the member shall be reinstated to the  
23 office by the governor.

24 (b) A vacancy on the board among the members appointed under  
25 AS 45.89.040(a)(1) shall be filled by appointment by the governor and  
26 confirmation by a majority of members of the legislature in joint ses-  
27 sion. An appointee to fill a vacancy shall hold office for the balance  
28 of the term for which his predecessor on the board was appointed. If a  
29 vacancy arises on the board while the legislature is not in session, the

1 governor may appoint an interim member, until the legislature has the  
2 opportunity to confirm the appointment.

3 (c) A vacancy on the board among the members appointed under  
4 AS 45.89.040(a)(2) shall be filled by appointment by the presiding  
5 officer of the house of the legislature to which the vacating board  
6 member belonged.

7 (d) A vacancy on the board does not impair the authority of a  
8 quorum of the board to exercise all the powers and perform all the  
9 duties of the board.

10 Sec. 45.89.070. QUALIFICATIONS OF BOARD MEMBERS. (a) At least  
11 four of the board members appointed under AS 45.89.040(a)(1) shall be  
12 residents of the state and shall have had experience in energy tech-  
13 nology or energy development.

14 (b) At least three of the board members appointed under AS 45.89.-  
15 040(a)(1) shall be nationally recognized experts in energy technology or  
16 energy development.

17 Sec. 45.89.080. QUORUM. Four members of the board appointed under  
18 AS 45.89.040(a)(1) constitute a quorum for the transaction of business  
19 and the exercise of the powers and duties of the board.

20 Sec. 45.89.090. COMPENSATION OF BOARD MEMBERS. (a) Board members  
21 appointed under AS 45.89.040(a)(1) receive \$350 per day while in attend-  
22 ance at and traveling to and from meetings of the board.

23 (b) Board members may receive a per diem allowance and trans-  
24 portation expenses in carrying out the duties under this chapter.

25 Sec. 45.89.100. CONFLICTS OF INTEREST. Members of the board are  
26 subject to AS 39.50.

27 Sec. 45.89.110. EMPLOYMENT OF PERSONNEL. The board shall employ  
28 and determine the salary of an executive director. The executive direc-  
29 tor may, with the approval of the board, select and employ additional

1 staff as necessary. The executive director and all employees of the  
2 board are in the exempt service under AS 39.25.

3 Sec. 45.89.120. POWERS. In carrying out the powers of the center,  
4 the board may

- 5 (1) adopt, alter, and use a corporate seal;
- 6 (2) prescribe, adopt, amend, and repeal bylaws;
- 7 (3) sue and be sued in the name of the center;
- 8 (4) enter into any agreements necessary to the exercise of  
9 its powers and functions;
- 10 (5) accept grants from and contract with the federal govern-  
11 ment and the state or its political subdivisions and to that end comply  
12 with the provisions of federal, state, or local programs when necessary,  
13 except that it may not enter into any agreements whereby a permanent  
14 state or local government position is financed or partially financed in  
15 connection with a project;
- 16 (6) accept grants and loans from and contract with sources  
17 other than those in (5) of this section for the purposes of the work of  
18 the center;
- 19 (7) appear in behalf of the center before boards, commis-  
20 sions, departments, or other agencies of municipal, state, or federal  
21 government;
- 22 (8) acquire, hold, use, lease, sell, or otherwise dispose of  
23 property of any kind, real, personal, or mixed, or an interest in it;
- 24 (9) conduct or sponsor applied research, development and  
25 demonstration projects, and prepare, publish, and distribute technical  
26 studies, reports, bulletins and other materials it considers appro-  
27 priate;
- 28 (10) hold patents, copyrights, trademarks, royalties or other  
29 evidences of protection or exclusivity issued under the laws of the

1 United States or any state or nation obtained by persons receiving  
2 assistance from the center;

3 (11) adopt regulations governing the exercise of its powers;

4 (12) do everything necessary or desirable to carry out the  
5 purposes of the center.

6 Sec. 45.89.130. DUTIES. The board shall

7 (1) promote the commercial development and use of more effi-  
8 cient energy technologies;

9 (2) subject to the availability of money,

10 (A) sponsor energy research projects intended to accom-  
11 plish the purposes of the center;

12 (B) conduct and sponsor applied research, development,  
13 and demonstration projects of energy technologies;

14 (C) provide financial and other support to inventors and  
15 businesses engaged in the development, demonstration, and commer-  
16 cialization of energy technologies;

17 (3) manage projects for which financing has been appropriated  
18 by the legislature;

19 (4) in developing its programs, consult with the Alaska Council  
20 on Science and Technology, the Alaska Power Authority, the Alaska Renew-  
21 able Resources Corporation, the division of energy and power development  
22 of the Department of Commerce and Economic Development the Department  
23 of Natural Resources, and the University of Alaska; the board shall meet  
24 with responsible officials and representatives of these organizations  
25 and agencies at least twice each year;

26 (5) consult with other energy research and development or-  
27 ganizations.

28 Sec. 45.89.140. BUDGET AND APPROPRIATIONS. (a) The center is  
29 subject to the Executive Budget Act (AS 37.07), except as provided in

1 (b) of this section and in AS 37.25.030.

2 (b) The budget of the center shall include a description of and  
3 amount of proposed financing for projects to be conducted or supported  
4 by the center. Requests in the budget for project financing shall  
5 include a statement of the objectives and goals of the project, includ-  
6 ing, but not limited to, the number of jobs to be created and the number  
7 of businesses to be assisted by the project. The amount of the center's  
8 operating budget shall be specified separately from proposed project  
9 financing.

10 Sec. 45.89.150. ANNUAL REPORT. The board shall prepare an annual  
11 report of its activities and submit a copy of the report to the legisla-  
12 ture. The annual report shall be transmitted to the legislature at the  
13 beginning of each regular session. The report shall include a descrip-  
14 tion of the work conducted or supported by the center, the number of  
15 jobs which have been created, the number of businesses which have been  
16 assisted, and any other information which the board determines should be  
17 included to describe the work of the center.

18 Sec. 45.89.160. COOPERATION WITH OTHER STATE AGENCIES AND THE  
19 UNIVERSITY OF ALASKA. (a) All departments, agencies, and public cor-  
20 porations of the state, including the University of Alaska, shall pro-  
21 vide information, services, and facilities to the center on its request.  
22 The center shall reimburse the department, agency, or corporation for  
23 expenses reasonably incurred on the center's behalf.

24 (b) When feasible, the center shall contract with the University  
25 of Alaska or an organization which is based in Alaska for research.

26 Sec. 45.89.200. DEFINITIONS. In this chapter

27 (1) "board" means the Board of Directors of the Alaska Energy  
28 Center;

29 (2) "center" means the Alaska Energy Center;

1 (3) "energy technology" means technological developments and  
2 innovations which are appropriate for

3 (A) production of energy through the use of renewable  
4 and alternative energy sources;

5 (B) energy conservation;

6 (C) development of facilities for the use of waste heat  
7 and the cogeneration of electricity and heat;

8 (D) the reduction of dependence on fossil fuels;

9 (E) efficient recovery and use of fossil fuels.

10 \* Sec. 4. AS 39.25.110 is amended by adding a new paragraph to read:

11 (22) employees of the Alaska Energy Center.

12 \* Sec. 5. AS 39.50.200(9) is amended by adding a new subparagraph to  
13 read:

14 (SS) Alaska Energy Center (AS 45.89).

15 \* Sec. 6. AS 37.25 is amended by adding a new section to read:

16 Sec. 37.25.030. APPROPRIATIONS FOR PROJECTS OF THE ALASKA ENERGY  
17 CENTER. An appropriation to the Alaska Energy Center for a research,  
18 development, or demonstration project under AS 45.89.130(2) is valid for  
19 the duration of the project and the unexpended balance for the project  
20 shall be carried forward to subsequent fiscal years.

21 \* Sec. 7. AS 44.46.080(c)(3) is amended to read:

22 (3) annually submit to the governor and the legislature the  
23 findings of the council, including

24 (A) a listing, description, ranking, and justification  
25 of research needs; [, AND]

26 (B) its recommendations for projects which should be con-  
27 ducted or supported by the Alaska Energy Center;

28 (C) a commentary on significant research activities of  
29 the preceding year funded by the state; and [INCLUDING]

1                   (D) the relationship of that research to the state's  
2 needs and priorities;

3 \* Sec. 8. APPOINTMENT OF FIRST BOARD OF DIRECTORS OF ALASKA ENERGY CEN-  
4 TER. The governor shall designate the terms of the members of the Board of  
5 Directors of the Alaska Energy Center first appointed under AS 45.89.-

6 040(a)(1). Of the seven members first appointed

7                   (1) three shall serve a term of one year;

8                   (2) two shall serve a term of two years; and

9                   (3) two shall serve a term of three years.

10 \* Sec. 9. Sections 1 - 6 and 8 of this Act take effect immediately in  
11 accordance with AS 01.10.070(c).

12 \* Sec. 10. Section 7 of this Act takes effect July 1, 1980.

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THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

REVISED FISCAL NOTE

I. REQUEST

Bill/Resolution No. Committee substitute for House Bill 687  
Title An Act creating the Alaska Energy Center  
Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Department of Administration  
Program Category Affected Development  
Budget Request Unit(s) Affected Alaska Energy Center

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		1183.6	2733.2	2924.5	3129.2	3348.3
200 TRAVEL		280.0	380.0	406.6	435.1	465.5
300 CONTRACTUAL		1687.6	4761.6	5166.3	5527.9	5914.9
400 COMMODITIES		60.0	160.0	171.2	183.2	196.0
500 EQUIPMENT		350.0	800.0	856.0	915.9	980.0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		1445.0	1546.1	1654.4	1770.2	1894.1
PROJECT FUNDING		15000.0	18750.0	20062.5	21466.8	22969.6
TOTAL		20006.2	29130.9	31241.5	33428.3	35768.1

FUNDING (Thousands of Dollars)

GENERAL FUND		10006.2	16880.7	17227.3	14552.5	12456.8
FEDERAL FUNDS		10000.0	12250.0	13107.5	14025.0	15006.8
OTHER (Specify)				906.7	4850.8	8304.5

POSITIONS

FULL TIME		38.0	50.0	50.0	50.0	50.0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached for expenditure summary.

Assumptions: FY 81 is startup; FY 82 full operations  
FY 83, FY 84, FY 85 inflation from FY 82 at 7 per cent  
Federal funding \$10 million FY 81; \$12.250 million FY 82;  
FY 83, FY 84, FY 85 inflation from FY 82 at 7 per cent  
General funding for non-federal portion of operations 100 per cent in  
FY 81 and FY 82; 95 per cent in FY 83; 75 per cent  
in FY 84; 60 per cent in FY 85; continuing decline  
Other funds include royalties, private contracts, additional federal  
funds; 5 per cent of non-federal operation in FY 83;  
25 per cent in FY 84; 40 per cent in FY 85  
Grants and claims includes subcontracts to University of Alaska for  
alternative energy research in FY 81; inflation at  
7 per cent for FY 82, FY 83, FY 84, FY 85.

IV. DATE April 24, 1980 PREPARED BY Tony Gardner  
AGENCY Legislature  
PHONE 465 5720

Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)



I. REQUEST  
 Bill/Resolution No. CS HB 687  
 Title An Act Establishing the Alaska Energy Center  
 Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL  
 Agency Affected Administration  
 Program Category Affected General Government  
 BRU, Program, or Subprogram(s) Affected Administrative Services  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)  
EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES			<del>70.1</del>	77.1	84.8	93.3
200 TRAVEL			1.0	1.1	1.2	1.3
300 CONTRACTUAL			1.2	1.3	1.5	1.6
400 COMMODITIES			<del>0.6</del>	.7	.7	.8
500 EQUIPMENT			<del>0.5</del>			
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL			<del>78.3</del>	80.1	88.2	97.0
<u>FUNDING</u> (Thousands of Dollars)			<del>57.6</del>			
GENERAL FUND			<del>78.3</del>	80.1	88.2	97.0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME			<del>3.0</del>	<del>2.0</del>	<del>2.0</del>	<del>2.0</del>
PART TIME						
TEMPORARY			2.0	2	2	2

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

- Assume:
1. That the Center is located outside Juneau;
  2. that staff included in the fiscal note dated 3/3/80 includes necessary staff to perform direct administrative functions of the Center;
  - 3: that since the Center is subject to the Executive Budget Act, this will tie the accounts of the center into the Program Budgeting and Accounting (PBA) system requiring checks to be issued by the Department of Administration and requiring conformance with the Fiscal Procedures Act;
  4. that field warrant authority will be granted to the Center for paying all obligations payable by field warrant;
  5. that operating and grants budgets will be prepared by Center staff with coordination and review provided by Administrative Services;
  6. that the Division of Administrative Services will centrally maintain all payroll records and personnel files; (continued--see attached)

IV. DATE April 18, 1980 PREPARED BY Judy Crondahl  
 AGENCY Administration  
 PHONE 465-2277

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named) Representative Gardiner  
Representative Meekins  
 33 001 Office of the Governor Keith Specking

**CATEGORY:** GENERAL GOVERNMENT  
**PROGRAM:** CENTRALIZED ADMINISTRATIVE SERVICES

**AGENCY:** ADMINISTRATION  
**BRU (s):** OFFICE OF THE COMMISSIONER; ADMINISTRATIVE SERVICES; RISK MANAGEMENT

This program consists of the following BRU's: Office of the Commissioner of Administration; Administrative Services; and Risk Management.

The Commissioner's Office, as the administrative center for the Department, provides leadership to all program managers within the agency and guidance to other agencies within the executive branch. The goal of this BRU is to provide an optimum level of service common to all state agencies in order to create an environment conducive to achieving the objectives of State programs in the most cost effective manner.

The Division of Administrative Services contains the support staff of the Department of Administration. Major functions include accounting, personnel, budget services, and the Department's word processing centers. Funding for word processing support is included in department program budgets and is contracted to the Division of Administrative Services.

The Risk Management program combines the insurable type exposures of all State agencies and treats them under a single program to obtain the most advantageous cost and coverage effectiveness. Loss control programs are instituted to provide effective control of preventable accidents and losses. Centralized control of these functions by trained personnel takes maximum advantage of marketing leverage, and avoids gaps and duplication of effort. The total funding statewide for the Risk Management program operations and premiums is reflected as inter-agency and program receipts in the Risk Management's budget. Four new positions in this program are requested for FY 81 to affect greater savings.

COMPONENT DESCRIPTION	79 AUTH	79 FINA	79 ACT	80 AUTH	80 SUPL	80 RP	GOVERNOR
OFFICE OF THE COMMISSIONER	925.8	973.6	971.3	778.7			861.2
ADMINISTRATIVE SERVICES	391.0	401.3	396.2	415.0			401.7
OPERATIONS	173.6	177.8	175.0	280.0			433.6
PREMIUMS		13619.6	13616.7	13568.6			5536.9
LOSS RETENTION							7861.7
** TOTAL	1490.4	15172.3	15159.2	15042.3			15095.1
** CHANGE VERSUS 80 AUTH							0.3%
OBJECT DESCRIPTION							
PERS. SERV.	719.2	741.9	739.8	862.6			1027.9
TRAVEL	28.7	35.9	31.3	26.1			49.8
CONTRACTUAL	130.2	13762.8	13757.5	5768.1			5772.2
COMMODITIES	10.2	4.2	3.2	8.6			9.7
EQUIPMENT	1.0	9.1	9.0				10.6
LANDS/BLDGS	601.1	618.4	618.4	376.8			363.2
GRANTS, CLMS				8000.1			7861.7
FUNDING SOURCE							
GENERAL FUND	1316.8	1374.9	1367.5	1167.8			1236.7
PGM RECEIPTS			933.0	22.9			1495.6
OTHER FUNDS	173.6	13797.4	12858.7	13851.6			12362.8
** GENERAL FUND CHANGE VS. 80 AUTH							5.8%
POSITIONS							
FULL-TIME	21.0	21.0	17.0	26.0			30.0
PART-TIME							1.0
TEMPORARY	1.0	1.0		1.0			
STAFF MONTHS	266.5	266.5	266.5	324.9			372.0



THE ALASKA COUNCIL ON SCIENCE AND TECHNOLOGY

TO: Alaska Council on Science  
and Technology

DATE: May 6, 1980

*Chris N.*  
FROM: Christopher Noah  
Executive Director

RE: Alaska Energy Center

Enclosed is the most recent version of the Fiscal Note for H.B. 687 which establishes the Alaska Energy Center.

Enclosure

CN:ljm

CSHB  
687

REVISED FISCAL NOTE

I. REQUEST  
Bill/Resolution No. Committee substitute for House Bill 687 (Page 1 of 3)  
Title An Act creating the Alaska Energy Center  
Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL  
Agency Affected Department of Administration  
Program Category Affected Development  
Budget Request Unit(s) Affected Alaska Energy Center

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500 EQUIPMENT		350.0	800.0	856.0	915.9	960.0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC		1445.0	1546.1	1654.4	1770.2	1894.1
PROJECT FUNDING		15000.0	18750.0	20262.5	21466.6	22969.6
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FEDERAL FUNDS		10000.0	12250.0	13107.5	14025.0	15006.8
OTHER (Specify)				906.7	4850.6	8304.5

POSITIONS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME		38.0	50.0	50.0	50.0	50.0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached for expenditure summary.

Assumptions: FY 81 is startup; FY 82 full operations  
 FY 83, FY 84, FY 85 inflation from FY 82 at 7 per cent  
 Federal funding \$10 million FY 81; \$12.250 million FY 82;  
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 General funding for non-federal portion of operations 100 per cent in  
 FY 81 and FY 82; 95 per cent in FY 83; 75 per cent  
 in FY 84; 60 per cent in FY 85; continuing decline  
 Other funds include royalties, private contracts, additional federal  
 funds; 5 per cent of non-federal operation in FY 83;  
 25 per cent in FY 84; 40 per cent in FY 85  
 Grants and claims includes subcontracts to University of Alaska for  
 alternative energy research in FY 81; inflation at  
 7 per cent for FY 82, FY 83, FY 84, FY 85.

IV. DATE April 24, 1980 PREPARED BY James Anderson  
 AGENCY Legislative  
 Original: Legislative Finance PHONE 45720

ALASKA ENERGY CENTER - CSHB 687 Page 2 of 3

## Project Funding - FY 81

Project funding for FY 81 includes \$5 million in general funds and \$10 million in anticipated federal and other receipts. Up to \$2.5 million of the general funds may be used to match other receipts. The Board of Directors of the Energy Center shall submit a plan for expenditure of the remaining \$2.5 million in general funds to the Speaker of the House and the President of the Senate before these funds are encumbered.

## Grants &amp; Claims - FY 81

Grants and claims includes \$1,445,000 for the following subcontracts to the University of Alaska Alternative Energy Research Program:

Fuels research program	180,000
Solar technology program	315,000
Heat pump demonstrations	65,000
Biomass fuels research	130,000
Energy economics research	80,000
Coal utilization research	230,000
Wind energy data collection and wind energy atlas	110,000
Waste heat research center	275,000
Fuel cell demonstrations	60,000
	<u>1,445,000</u>

Grants and claims for FY 82 - FY 85 includes continuation of alternative energy research projects by the University of Alaska under contract to the Alaska Energy Center, with specific projects to be determined by the Board of Directors of the Alaska Energy Center. The legislature intends that technology development and demonstration projects currently being conducted by the following agencies be transferred to the Alaska Energy Center in the FY 82 and subsequent budgets:

- University of Alaska
- Division of Energy and Power Development
- Alaska Power Authority
- Department of Transportation and Public Facilities
- all other energy technology development projects

The Board of Directors of the Alaska Energy Center may subcontract to the University of Alaska, other state agencies, or private research firms from the project funding line item for any projects selected by the board.

Appropriations for project funding made to the Alaska Energy Center are for capital projects and are subject to AS 37.25.020.

May 2, 1980

HOUSE JOURNAL  
SUPPLEMENT

No. 60  
CSHB  
687

ALASKA ENERGY CENTER - CSHB 687  
OPERATING BUDGET - FISCAL YEARS 1981 & 1982

	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter		FY 82 Full Operat	
	Expend.	Pos.	Expend.	Pos.	Expend.	Pos.	Expend.	Pos.	Expend.	Positi
<u>PERSONAL SERVICES</u>										
Salaries										
Exec. Director	20.0	1	20.0	1	20.0	1	20.0	1	80.0	1
Dept. Directors			17.5	1	17.5	1	17.5	1	140.0	2
Senior Staff			60.0	4	90.0	6	120.0	8	600.0	10
Professional Staff			67.5	6	112.5	10	157.5	14	900.0	20
Tech/Junior Staff			33.5	4	57.5	6	77.0	8	386.8	10
Secretarial Staff	4.2	1	16.5	4	22.0	5	27.5	6	154.0	7
Total Salaries	24.2	2	215.0	20	319.5	29	419.5	38	2258.8	50
Benefits @ 21%	5.1		45.1		67.1		88.1		474.4	
Total Personal Services	29.3		260.1		386.6		507.6		2733.2	
<u>TRAVEL</u>	50.0		85.0		60.0		85.0		380.0	
<u>CONTRACTUAL</u>										
Rent	40.2		126.8		188.5		247.5		1333.2	
Subcontracts	25.0		100.0		300.0		400.0		2800.0	
Phone/Xerox/Other	10.9		43.2		83.5		114.0		648.4	
Total Contractual	54.9		335.0		572.0		761.5		4761.6	
<u>COMMODITIES</u>			10.0		20.0		30.0		160.0	
<u>EQUIPMENT</u>			50.0		100.0		200.0		800.0	
<b>TOTAL OPERATING</b>	<b>134.2</b>		<b>740.1</b>		<b>1138.6</b>		<b>1584.1</b>		<b>8894.8</b>	

May 2, 1980

HOUSE JOURNAL  
SUPPLEMENT

No. 60

CSHB

687

To: Rep. Terry Gardiner  
Speaker of the House

From: Rep. Bill Miles, Chairman *BTM*  
House Resources Committee

Date: May 1, 1980

Re: CS HB 687/ Alaska Energy Center  
LETTER OF INTENT

The establishment of an Alaska Energy Center is intended to accomplish several major goals, both social and economic. The primary purpose is to use Alaska's energy resources and technology to create jobs in Alaska. A parallel goal is to help solve energy cost and supply problems for Alaskans.

We recognize that energy consumption patterns will undergo dramatic change during the remainder of this century, and into the next. One goal for the Alaska Energy Center is to be a recognized leader in the research and development which will accompany this change, and also which will help conserve the depletable fossil fuels we depend upon, and enhance the economic recoverability of known reserves. This recognized leadership status will be reflected by the number of grants and contracts awarded to the center from government and industry for fossil fuel recovery, development of new energy forms from renewable resources, better use of existing technologies, as well as the practical demonstration of ways to use alternative energy resources economically. In achieving this goal, the energy center shall contribute to the resolution of energy problems faced by Alaskan residents and the communities they live in.

A second major goal recognizes that Alaska has historically been an exporter of raw materials and an importer of finished goods. We believe that while Alaska seeks to resolve its energy price and supply problems over the long term by converting to renewable energy resource use, the opportunity exists to create new industries and employment in the state based on locally available energy resources and the technologies associated with them. Rather than continue to import energy resources and the technology necessary to utilize them, the state should help establish local industries to accomplish the same thing. Direct employment, the "ripple effect" of indirect employment, and recirculation of dollars, used to pay for local resources rather than exported to import traditional fuels; will all have profound effects on the economies of Alaskan communities and of the state as a whole. Many of the jobs created will be in demonstration projects carrying some risk of success; but many will be in small businesses spread throughout the state in local resource procurement, hardware assembly and maintenance, plant operations and marketing.

The net result will be new industries and jobs for communities and their residents, as well as greater energy independence for all Alaskans. The Energy Center will help bring about this change through demonstration of economically feasible alternative forms of producing energy and direct technical assistance to local entrepreneurs in creation of local businesses to manufacture, process, harvest or assemble the locally available energy resource or the equipment needed to utilize it. In helping commercialize such ventures, a fundamental role of the center shall be to train inexperienced entrepreneurs in operations and accounting principles needed to make a success of those venture found to be economically feasible; and to work closely with the Alaska Renewable Resource Corp., the Alaska Fisheries and Agriculture Bank, the state business loan programs, private financial institutions and other appropriate funding sources to provide sufficient capital to establish the new business.

A third major goal for the Alaska Energy Center, and one which will provide a check on the success of its activities, is for it to become economically self-sufficient in its operating budget over a maximum period of ten years. We believe this can be accomplished in several ways. First, its research and development activity should be financed from grants and contracts, patent licensing fees and royalties. Although it is probable that the State of Alaska shall continue to be a significant source of contract work, the Legislature expects the Center to initiate from its inception and to maintain a strong ability to compete in the marketplace for an ever-increasing percentage of its operating money. To this end, the Legislature's intent is to capitalize the operational budget with a strong investment in the beginning, and to gradually phase out funding of operations by 1990. Project funding approved by the Legislature is intended to be in advance for full projected costs, to insure that continuity of projects in progress shall not be jeopardized in event of unanticipated budget reductions in succeeding years.

A fourth goal for the energy center recognizes the public service responsibility of the institution. The Alaska Energy Center is established as a private nonprofit corporation to perform an essential service to the People of Alaska. It is to be expected that some of this benefit should be provided as a public service at no cost, to those who request it, while the center is also charged with the responsibility to protect its proprietary interests on which it will depend for an ever-increasing share of its operating and project revenues.

In regard to projects undertaken within Alaska, the energy center shall consider local cultural, social and economic factors, and the aspirations and ways of life of people in existing communities, when determining whether a project or technology is appropriate to local needs. These considerations shall be given equal weight in matching resources and needs.

No corporate structure is established in HB 687. The Legislature recognizes that this vital decision is best left to the board of directors. To that end, the Legislature has appropriated \$100,000 for a comparative study of the organization of similar institutions, public and private, around the country. The first part of that study, to be conducted by the Office of the Governor, shall be to determine the best composition of the board itself, to aid the governor in appointing board members. The second phase, to be directed in part by the board itself, shall be to determine the best management system for the Alaska center.

Although the study remains to be done, and the Legislature lacks the direction which the document will offer when final decisions are made, there are a number of concerns the Legislature intends to be addressed in establishing the enabling legislation in HB 687. These can be broken down into four basic areas of need:

- 1) fossil fuel recovery and related environmental problems
- 2) renewable energy and transportation
- 3) energy conservation and building design
- 4) Innovation Center

The two areas of greatest energy consumption in Alaska are transportation and space heating of buildings, so it follows that these are areas where the Energy Center could provide some of the greatest contributions to energy conservation and replacement of fossil fuels. An "innovation center" would not be limited exclusively to energy but would provide a service to all Alaskan inventors and innovators with marketable ideas. Among the services the Innovation Center would provide would be assistance in determining whether Alaskan inventions are marketable, patent searches and patenting, and business and capital formation if that is the desires of the inventor, or obtaining manufacturing licenses and royalty agreements if the inventor prefers, and marketing.

It is expected that the Innovation Center would perform these services at no initial cost to the client; but that if the product proves commercially successful the Innovation Center would be entitled to a royalty for its services at a standard rate. Wherever feasible, the Center would give preference to manufacture in Alaska.

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Committee substitute for House Bill 687  
 Title An Act creating the Alaska Energy Center  
 Requested by Resources Committee Date 3/28/80

II. FISCAL DETAIL

Agency Affected Department of Administration  
 Program Category Affected Development  
 Budget Request Unit(s) Affected Alaska Energy Center

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		1183.6	2733.2	2924.5	3129.2	3348.3
200 TRAVEL		280.0	380.0	406.6	435.1	465.5
300 CONTRACTUAL	100.0	1687.6	4761.6	5166.3	5527.9	5914.9
400 COMMODITIES		60.0	160.0	171.2	183.2	196.0
500 EQUIPMENT		350.0	800.0	856.0	915.9	980.0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		1445.0	1546.1	1654.4	1770.2	1894.1
PROJECT FUNDING		15000.0	18750.0	20062.5	21466.8	22969.6
TOTAL	100.0	20006.2	29130.9	31241.5	33428.3	35768.1

FUNDING (Thousands of Dollars)

GENERAL FUND	100.0	10006.2	16880.7	17227.3	14552.5	12456.8
FEDERAL FUNDS		10000.0	12250.0	13107.5	14025.0	15006.8
OTHER (Specify)				906.7	4850.8	8304.5

POSITIONS

FULL TIME		38.0	50.0	50.0	50.0	50.0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached for expenditure summary.

Assumptions: FY 81 is startup; FY 82 full operations  
 FY 83, FY 84, FY 85 inflation from FY 82 at 7 per cent  
 Federal funding \$10 million FY 81; \$12.250 million FY 82;  
 FY 83, FY 84, FY 85 inflation from FY 82 at 7 per cent  
 General funding for non-federal portion of operations 100 per cent in  
 FY 81 and FY 82; 95 per cent in FY 83; 75 per cent  
 in FY 84; 60 per cent in FY 85; continuing decline  
 Other funds include royalties, private contracts, additional federal  
 funds; 5 per cent of non-federal operation in FY 83;  
 25 per cent in FY 84; 40 per cent in FY 85  
 Grants and claims includes subcontracts to University of Alaska for  
 alternative energy research in FY 81; inflation at  
 7 per cent for FY 82, FY 83, FY 84, FY 85.

IV. DATE March 28, 1980 PREPARED BY Tony Hardner  
 AGENCY Legislature  
 PHONE 465-3720

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

ALASKA ENERGY CENTER - CSHB 687  
OPERATING BUDGET - FISCAL YEARS 1981 & 1982

	<u>1st Quarter</u>		<u>2nd Quarter</u>		<u>3d Quarter</u>		<u>4th Quarter</u>		<u>FY 82 Full Operation</u>	
	<u>Expen.</u>	<u>Pos.</u>	<u>Expend.</u>	<u>Pos.</u>	<u>Expend.</u>	<u>Pos.</u>	<u>Expend.</u>	<u>Pos.</u>	<u>Expend.</u>	<u>Positions</u>
<u>PERSONAL SERVICES</u>										
Salaries										
Exec. Director	20.0	1	20.0	1	20.0	1	20.0	1	80.0	1
Dept. Directors			17.5	1	17.5	1	17.5	1	140.0	2
Senior Staff			60.0	4	90.0	6	120.0	8	600.0	10
Professional Staff			67.5	6	112.5	10	157.5	14	900.0	20
Tech/Junior Staff			33.5	4	57.5	6	77.0	8	384.8	10
Secretarial Staff	4.2	1	16.5	4	22.0	5	27.5	6	154.0	7
Total Salaries	<u>24.2</u>	<u>2</u>	<u>215.0</u>	<u>20</u>	<u>319.5</u>	<u>29</u>	<u>419.5</u>	<u>38</u>	<u>2258.8</u>	<u>50</u>
Benefits @ 21%	<u>5.1</u>		<u>45.1</u>		<u>67.1</u>		<u>88.1</u>		<u>474.4</u>	
Total Personal Services	29.3		260.1		386.6		507.6		2733.2	
<u>TRAVEL</u>	50.0		85.0		60.0		85.0		380.0	
<u>CONTRACTUAL</u>										
Rent	48.2		126.8		188.5		247.5		1333.2	
Subcontracts	25.0		100.0		300.0		400.0		2800.0	
Phone/Xerox/Other	<u>10.9</u>		<u>43.2</u>		<u>83.5</u>		<u>114.0</u>		<u>648.4</u>	
Total Contractual	54.9		335.0		572.0		761.5		4761.6	
<u>COMMODITIES</u>			10.0		20.0		30.0		160.0	
<u>EQUIPMENT</u>			<u>50.0</u>		<u>100.0</u>		<u>200.0</u>		<u>800.0</u>	
TOTAL OPERATING	134.2		740.1		1138.6		1584.1		8894.8	

ALASKA ENERGY CENTER - CSHB 687

Project Funding - FY 81

Project funding for FY 81 includes \$5 million in general funds and \$10 million in anticipated federal and other receipts. Up to \$2.5 million of the general funds may be used to match other receipts. The Board of Directors of the Energy Center shall submit a plan for expenditure of the remaining \$2.5 million in general funds to the Speaker of the House and the President of the Senate before these funds are encumbered.

Grants & Claims - FY 81

Grants and claims includes \$1,445,000 for the following subcontracts to the University of Alaska Alternative Energy Research Program:

Fuels research program	180,000
Solar technology program	315,000
Heat pump demonstrations	65,000
Biomass fuels research	130,000
Energy economics research	80,000
Coal utilization research	230,000
Wind energy data collection and wind energy atlas	110,000
Waste heat research center	275,000
Fuel cell demonstrations	60,000
	<u>1,445,000</u>

Grants and claims for FY 82 - FY 85 includes continuation of alternative energy research projects by the University of Alaska under contract to the Alaska Energy Center, with specific projects to be determined by the Board of Directors of the Alaska Energy Center. The legislature intends that technology development and demonstration projects currently being conducted by the following agencies be transferred to the Alaska Energy Center in the FY 82 and subsequent budgets:

- University of Alaska
- Division of Energy and Power Development
- Alaska Power Authority
- Department of Transportation and Public Facilities
- all other energy technology development projects

The Board of Directors of the Alaska Energy Center may subcontract to the University of Alaska, other state agencies, or private research firms from the project funding line item for any projects selected by the board.

Appropriations for project funding made to the Alaska Energy Center are for capital projects and are subject to AS 37.25.020.

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Committee substitute for House Bill 687  
 Title An Act creating the Alaska Energy Center  
 Requested by Resources Committee Date 3/28/80

II. FISCAL DETAIL

Agency Affected Department of Administration  
 Program Category Affected Development  
 Budget Request Unit(s) Affected Alaska Energy Center

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		1183.6	2733.2	2924.5	3129.2	3348.3
200 TRAVEL		280.0	380.0	406.6	435.1	465.5
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600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		1445.0	1546.1	1654.4	1770.2	1894.1
PROJECT FUNDING		15000.0	18750.0	20062.5	21466.8	22969.6
TOTAL	100.0	20006.2	29130.9	31241.5	33428.3	35768.1

FUNDING (Thousands of Dollars)

GENERAL FUND	100.0	10006.2	16880.7	17227.3	14552.5	12456.8
FEDERAL FUNDS		10000.0	12250.0	13107.5	14025.0	15006.8
OTHER (Specify)				906.7	4850.8	8304.5

POSITIONS

FULL TIME		38.0	50.0	50.0	50.0	50.0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached for expenditure summary.

Assumptions: FY 81 is startup; FY 82 full operations  
 FY 83, FY 84, FY 85 inflation from FY 82 at 7 per cent  
 Federal funding \$10 million FY 81; \$12.250 million FY 82;  
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 25 per cent in FY 84; 40 per cent in FY 85  
 Grants and claims includes subcontracts to University of Alaska for  
 alternative energy research in FY 81; inflation at  
 7 per cent for FY 82, FY 83, FY 84, FY 85.

IV. DATE March 28, 1980 PREPARED BY Tony Hardner  
 AGENCY Legislature  
 PHONE 465-5720

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

ALASKA ENERGY CENTER - CSHB 687  
OPERATING BUDGET - FISCAL YEARS 1981 & 1982

	<u>1st Quarter</u>		<u>2nd Quarter</u>		<u>3d Quarter</u>		<u>4th Quarter</u>		<u>FY 82 Full Operation</u>	
	<u>Expen.</u>	<u>Pos.</u>	<u>Expend.</u>	<u>Pos.</u>	<u>Expend.</u>	<u>Pos.</u>	<u>Expend.</u>	<u>Pos.</u>	<u>Expend.</u>	<u>Positions</u>
<u>PERSONAL SERVICES</u>										
Salaries										
Exec. Director	20.0	1	20.0	1	20.0	1	20.0	1	80.0	1
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Senior Staff			60.0	4	90.0	6	120.0	8	600.0	10
Professional Staff			67.5	6	112.5	10	157.5	14	900.0	20
Tech/Junior Staff			33.5	4	57.5	6	77.0	8	384.8	10
Secretarial Staff	<u>4.2</u>	<u>1</u>	<u>16.5</u>	<u>4</u>	<u>22.0</u>	<u>5</u>	<u>27.5</u>	<u>6</u>	<u>154.0</u>	<u>7</u>
Total Salaries	<u>24.2</u>	<u>2</u>	<u>215.0</u>	<u>20</u>	<u>319.5</u>	<u>29</u>	<u>419.5</u>	<u>38</u>	<u>2258.8</u>	<u>50</u>
Benefits @ 21%	<u>5.1</u>		<u>45.1</u>		<u>67.1</u>		<u>88.1</u>		<u>474.4</u>	
Total Personal Services	29.3		260.1		386.6		507.6		2733.2	
<u>TRAVEL</u>	50.0		85.0		60.0		85.0		380.0	
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Rent	48.2		126.8		188.5		247.5		1333.2	
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Total Contractual	54.9		335.0		572.0		761.5		4761.6	
<u>COMMODITIES</u>			10.0		20.0		30.0		160.0	
<u>EQUIPMENT</u>			<u>50.0</u>		<u>100.0</u>		<u>200.0</u>		<u>800.0</u>	
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ALASKA ENERGY CENTER - CSHB 687

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Coal utilization research	230,000
Wind energy data collection and wind energy atlas	110,000
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Appropriations for project funding made to the Alaska Energy Center are for capital projects and are subject to AS 37.25.020.

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS HB 687

Title An Act Establishing the Alaska Energy Center

Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Administration

Program Category Affected General Government

BRU, Program, or Subprogram(s) Affected Administrative Services

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES			70.1	77.1	84.8	93.3
200 TRAVEL			1.0	1.1	1.2	1.3
300 CONTRACTUAL			1.2	1.3	1.5	1.6
400 COMMODITIES			.6	.7	.7	.8
500 EQUIPMENT			5.4			
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL			78.3	80.1	88.2	97.0

FUNDING (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
GENERAL FUND			78.3	80.1	88.2	97.0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
FULL TIME			3.0	3.0	3.0	3.0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Assume:

1. That the Center is located outside Juneau;
2. that staff included in the fiscal note dated 3/3/80 includes necessary staff to perform direct administrative functions of the Center;
3. that since the Center is subject to the Executive Budget Act, this will tie the accounts of the center into the Program Budgeting and Accounting (PBA) system requiring checks to be issued by the Department of Administration and requiring conformance with the Fiscal Procedures Act;
4. that field warrant authority will be granted to the Center for paying all obligations payable by field warrant;
5. that operating and grants budgets will be prepared by Center staff with coordination and review provided by Administrative Services;
6. that the Division of Administrative Services will centrally maintain all payroll records and personnel files; (continued--see attached)

IV. DATE April 18, 1980 PREPARED BY Judy Crondahl

AGENCY Administration

PHONE 465-2277

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

Representative Gardiner

Representative Meekins

33-001 (Office of) the Governor Keith Specking

**CATEGORY:** GENERAL GOVERNMENT  
**PROGRAM:** CENTRALIZED ADMINISTRATIVE SERVICES

**AGENCY:** ADMINISTRATION  
**BRU (s):** OFFICE OF THE COMMISSIONER; ADMINISTRATIVE SERVICES; RISK MANAGEMENT

This program consists of the following BRU's: Office of the Commissioner of Administration; Administrative Services; and Risk Management.

The Commissioner's Office, as the administrative center for the Department, provides leadership to all program managers within the agency and guidance to other agencies within the executive branch. The goal of this BRU is to provide an optimum level of service common to all state agencies in order to create an environment conducive to achieving the objectives of State programs in the most cost effective manner.

The Division of Administrative Services contains the support staff of the Department of Administration. Major functions include accounting, personnel, budget services, and the Department's word processing centers. Funding for word processing support is included in department program budgets and is contracted to the Division of Administrative Services.

The Risk Management program combines the insurable type exposures of all State agencies and treats them under a single program to obtain the most advantageous cost and coverage effectiveness. Loss control programs are instituted to provide effective control of preventable accidents and losses. Centralized control of these functions by trained personnel takes maximum advantage of marketing leverage, and avoids gaps and duplication of effort. The total funding statewide for the Risk Management program operations and premiums is reflected as inter-agency and program receipts in the Risk Management's budget. Four new positions in this program are requested for FY 81 to affect greater savings.

COMPONENT DESCRIPTION	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	GOVERNOR
OFFICE OF THE COMMISSIONER	925.8	973.6	971.3	778.7			861.2
ADMINISTRATIVE SERVICES	391.0	401.3	396.2	415.0			401.7
OPERATIONS	173.6	177.8	175.0	280.0			433.6
PREMIUMS		13619.6	13616.7	13568.6			5536.9
LOSS RETENTION							7861.7
** TOTAL	1490.4	15172.3	15159.2	15042.3			15095.1
** CHANGE VERSUS 80 AUTH							0.3%
OBJECT DESCRIPTION							
PERS. SERV.	719.2	741.9	739.8	862.6			1027.9
TRAVEL	28.7	35.9	31.3	26.1			49.8
CONTRACTUAL	130.2	13762.8	13757.5	5768.1			5772.2
COMMODITIES	10.2	4.2	3.2	8.6			9.7
EQUIPMENT	1.0	9.1	9.0				10.6
LANDS/BLDGS	601.1	618.4	618.4	376.8			363.2
GRANTS, CLMS				8000.1			7861.7
FUNDING SOURCE							
GENERAL FUND	1316.8	1374.9	1367.5	1167.8			1236.7
PGM RECEIPTS			933.0	22.9			1495.6
OTHER FUNDS	173.6	13797.4	12858.7	13851.6			12362.8
** GENERAL FUND CHANGE VS. 80 AUTH							5.8%
POSITIONS							
FULL-TIME	21.0	21.0	17.0	26.0			30.0
PART-TIME							1.0
TEMPORARY	1.0	1.0		1.0			
STAFF MONTHS	266.5	266.5	266.5	324.9			372.0

### III. ANALYSIS (continued)

7. that the Division of Administrative Services will centrally maintain all field warrant, travel, vendor, property, professional services contract and other fiscal records.

Based on the fiscal note which has been done, the Center will have a staff of 50 employees (an increase of 7% over the Department's current level), the travel budget of \$335,000 will double current travel expenditures of the Department, equipment funds of \$550,000 will require ordering, paying, tagging and maintaining property records on approximately 500 pieces of equipment, 30 to 40 professional services contracts would be negotiated and signed, and a significant increase will occur in bills to be paid. It is estimated that the above increases with the corresponding maintenance of file systems will require the addition of three permanent full time positions. These positions and their associated costs are shown on the attached forms.

In addition to costs associated with new positions, an additional \$1,000 is included for travel which will allow the Director, Personnel Officer and Finance Officer to meet as required with officials of the Center.

1	POSITION TITLE <b>Accounting Clerk III</b>				RANGE/STEP <b>10 B</b>	BARG. UNIT. <b>G</b>	LOCATION <b>Juneau</b>	GOV.	APPROV.	DISAPP.
2	TYPE OF POSITION <b>PFT</b>	STAFF MONTHS <b>12</b>	RP No.	PCN No.	PRIOR: <b>Y</b>	FORM 12	PAGE/LINE	LEG.		
3	TYPE OF EXPENDITURE			AMOUNT		JUSTIFICATION:  This position will work in the Fiscal Section of the Division of Administrative Services to handle the additional activity in the area of travel, purchasing, bill paying and property control placed upon the section by the creation of the Energy Center. The increased activity in these areas is directly affected by the budget of the Center for travel, contractual services, commodities and equipment.				
	1	2	3							
4	PERSONAL SERVICES:									
	SALARY	<b>1,487/mo</b>	<b>17,844</b>							
5	BENEFITS	<b>15.15%</b>	<b>2,703</b>							
6	FICA	<b>6.65%</b>	<b>1,187</b>							
7	HEALTH INS.	<b>127 X 12</b>	<b>1,524</b>							
8	TOTAL PERSONAL SERVICES		<b>23.3</b>							
9	TRAVEL									
10	CONTRACTUAL		<b>.4</b>							
11	COMMODITIES		<b>.2</b>							
12	EQUIPMENT <b>designed systems furniture</b>		<b>1.8</b>							
13	OTHER									
14	TOTAL COST		<b>25.6</b>							
	CODE	FUNDING SOURCE								
15		FED RCPTS.								
16		GF MATCH.								
17	<b>100</b>	GEN. FUND		<b>25.6</b>						
18		I-A RCPTS								
19		PGM RCPTS								
20		OTHER								
21	CONTINUATION									
22	ADDITION	<b>FOR B&amp;M USE ONLY</b>								
4A KEY NUMBER		COLUMN NO.								

AGENCY Administration PROGRAM AREA Administrative Services to State Agencies

BRU Administrative Services

**FY 81**

**13** REQUEST FOR NEW POSITION.

COMPONENT \_\_\_\_\_

Page \_\_\_\_\_ of \_\_\_\_\_

REVISED DATE \_\_\_\_\_

1	POSITION TITLE <b>Clerk III</b>			RANGE/STEP <b>8 B</b>	BARG. UNIT. <b>K</b>	LOCATION <b>Juneau</b>	GOV.	APPROV.	DISAPP.
2	TYPE OF POSITION <b>PFT</b>	STAFF MONTHS <b>12</b>	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	LEG.		
3	TYPE OF EXPENDITURE			AMOUNT					
	1			2		3			
4	PERSONAL SERVICES: SALARY 1,315/mo			15,780					
5	BENEFITS 15.15%			2,391					
6	FICA 6.65%			1,049					
7	HEALTH INS. 127 x 12			1,524					
8	TOTAL PERSONAL SERVICES			20.7					
9	TRAVEL								
10	CONTRACTUAL			.4					
11	COMMODITIES			.2					
12	EQUIPMENT designed systems furniture			1.8					
13	OTHER								
14	TOTAL COST			23.1					
15	CODE	FUNDING SOURCE							
16		FED RCPTS.							
17	100	GF MATCH.							
18		GEN. FUND		23.1					
19		I-A RCPTS.							
20		PGM RCPTS							
21	CONTINUATION								
22	ADDITION			<b>FOR B&amp;M USE ONLY</b>					
4A KEY NUMBER _____				COLUMN NO. _____					

JUSTIFICATION:

This position will work in both the Fiscal and Personnel Sections of the Division of Administrative Services to handle the additional filing requirements placed upon the Division by the Creation of the Energy Center. Filing systems affected will be Personnel, Payroll, Travel, Field Warrant, Vendor, Contracts, Purchasing, and Property. The increase in filing requirements will be directly affected by the number of employees and the size of budget of the Energy Center.

AGENCY Administration PROGRAM AREA Administrative Services to State Agencies

BRU Administrative Services

**FY 81**

**13 REQUEST FOR NEW POSITION.**

COMPONENT \_\_\_\_\_

Page \_\_\_\_\_ of \_\_\_\_\_

REVISED DATE \_\_\_\_\_

1	POSITION TITLE <b>Accounting Technician I</b>			RANGE/STEP <b>12 B</b>	BARG. UNIT. <b>G</b>	LOCATION <b>Juneau</b>	GOV.	APPROV.	DISAPP.
2	TYPE OF POSITION <b>PFT</b>	STAFF MONTHS <b>12</b>	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	LEG.		

3	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES:		
	SALARY	<b>1,678/mo</b>	<b>20,136</b>
5	BENEFITS	<b>15.15%</b>	<b>3,051</b>
6	FICA	<b>6.65%</b>	<b>1,339</b>
7	HEALTH INS.	<b>127 x 12</b>	<b>1,524</b>
8	TOTAL PERSONAL SERVICES		<b>26.1</b>
9	TRAVEL		
10	CONTRACTUAL		<b>.4</b>
11	COMMODITIES		<b>.2</b>
12	EQUIPMENT <b>designed systems furniture</b>		<b>1.8</b>
13	OTHER		
14	TOTAL COST		<b>28.5</b>

JUSTIFICATION:

This position will work in the Fiscal Section of the Division of Administrative Services to handle the additional activity in the area of professional services contracts placed upon the section by the creation of the Energy Center. With a budget of \$1,500,000 for sub-contracts and \$14,400,000<sup>for grants,</sup> and with the increasing awareness that these contracts must be fairly awarded in compliance with State administrative procedures, this could be one of the most difficult areas of concern both for the Center and the Department.

	CODE	FUNDING SOURCE	
15		FED RCPTS.	
16		GF MATCH.	
17	<b>100</b>	GEN. FUND	<b>28.5</b>
18		I-A RCPTS.	
19		PGM RCPTS	
20		OTHER	

21	CONTINUATION		<b>FOR B&amp;M USE ONLY</b>
22	ADDITION		
4A KEY NUMBER _____		COLUMN NO. _____	

AGENCY Administration PROGRAM AREA Administrative Services to State Agencies

BRU Administrative Services

**FY 81**

**13 REQUEST FOR NEW POSITION.**

COMPONENT \_\_\_\_\_

Page \_\_\_\_\_ of \_\_\_\_\_

REVISED DATE \_\_\_\_\_

BY GARDINER, ROGERS, BRANSON, ANDERSON,  
BARNES, BETTISWORTH, BROWN, CARNEY,  
CHATTERTON, COTTEN, ELIASON, HALFORD,  
HAYES, MCKINNON, MALONE, MARTIN, MEEKINS,  
METCALFE, MILES, MILLER, MOSS, MUNSON,  
PARKER, PHILLIPS AND SMITH

1 IN THE HOUSE

2 HOUSE BILL NO. 687

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing the Alaska Energy Center; and  
7 providing for an effective date."

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

9 \* Section 1. FINDINGS. The legislature finds that the State of Alaska is  
10 currently receiving substantial revenues from the sale of nonrenewable energy  
11 resources to consumers in other states of the nation. The legislature recog-  
12 nizes that bringing more efficient and advanced energy technologies to the  
13 stage of commercial development will result in lower energy costs to con-  
14 sumers throughout the state and the nation. The legislature believes Alaska  
15 has a responsibility to use part of its nonrenewable energy resource revenues  
16 to help accomplish this goal. The legislature finds that an independent  
17 energy resource development center under the direction of the state, can best  
18 accomplish the aid to individuals and businesses necessary to develop and  
19 implement advanced energy technologies. The legislature further finds that  
20 the work of the center will provide significant employment benefits to the  
21 citizens of the state and will stimulate the development of the state's  
22 energy resources.

23 \* Sec. 2. AS 45 is amended by adding a new chapter to read:

24 CHAPTER 89. ALASKA ENERGY CENTER.

25 Sec. 45.89.010. ALASKA ENERGY CENTER CREATED. There is created  
26 the Alaska Energy Center. The center is a public corporation of the  
27 state. It is an instrumentality of the state in the Department of  
28 Administration, but has a legal existence independent of and separate  
29 from the state. Exercise by the center of the powers conferred by this

1 chapter is an essential governmental function of the state.

2 Sec. 45.89.020. PURPOSE. The primary purpose of the center is to  
3 create employment opportunities in the state through the development of  
4 more efficient and advanced technologies. In addition, the center is to

5 (1) promote the most efficient and appropriate technologies  
6 for use of the state's energy resources;

7 (2) provide economic benefits to state citizens;

8 (3) promote the effective use of the state's resources;

9 (4) promote diversification of employment opportunities;

10 (5) reduce state energy imports;

11 (6) increase state energy and technology exports; and

12 (7) bring existing and new technologies to a stage of com-  
13 mercial feasibility.

14 Sec. 45.89.030. BOARD OF DIRECTORS. A board of directors of the  
15 center is established as its governing body.

16 Sec. 45.89.040. COMPOSITION OF BOARD OF DIRECTORS. (a) The board  
17 of directors consists of nine members as follows:

18 (1) one state senator appointed by the president of the  
19 senate and one state representative appointed by the speaker of the  
20 house of representatives;

21 (2) seven members appointed by the governor and confirmed by  
22 a majority of the members of the legislature in joint session.

23 (b) The board shall elect a chairman and other necessary officers  
24 from among its members.

25 Sec. 45.89.050. TERM OF OFFICE. (a) The members of the board  
26 appointed from the legislature serve ex officio.

27 (b) The members of the board appointed by the governor serve  
28 seven-year terms and may be reappointed. Terms shall be staggered. The  
29 initial terms are one member serving for one year, one member serving

1 for two years, one member serving for three years, one member serving  
2 for four years, one member serving for five years, one member serving  
3 for six years, and one member serving for seven years.

4 Sec. 45.89.060. REMOVAL AND VACANCIES. (a) The governor may  
5 remove from office a board member appointed by him with the consent of a  
6 majority of the members of the legislature in joint session. A removal  
7 by the governor shall be in writing and state the reason for removal.  
8 If the legislature is not in session, the governor may suspend a member  
9 of the board. After suspension, a board member may not participate in  
10 board business and may not be counted for the purpose of establishing a  
11 quorum. The joint session shall be held within 10 days from the date of  
12 removal if the removal occurs while the legislature is in session or  
13 within 30 days of convening of the next regular session of the legisla-  
14 ture if the legislature is not in session. If the legislature refuses  
15 to consent to his removal, the board member shall be reinstated to his  
16 position by the governor.

17 (b) A vacancy on the board among the members appointed under  
18 AS 45.89.040(a)(2) shall be filled by appointment by the governor and  
19 confirmation by a majority of members of the legislature in joint ses-  
20 sion. An appointee to fill a vacancy shall hold office for the balance  
21 of the term for which his predecessor on the board was appointed. If a  
22 vacancy arises on the board while the legislature is not in session, the  
23 governor may appoint an interim member, until the legislature has the  
24 opportunity to confirm the appointment.

25 (c) A vacancy on the board among the members appointed under  
26 AS 45.89.040(a)(1) shall be filled by appointment by the presiding  
27 officer of the house of the legislature to which the vacating board  
28 member belonged.

29 (d) A vacancy on the board does not impair the authority of a

1 quorum of the board to exercise all the powers and perform all the  
2 duties of the board.

3 Sec. 45.89.070. QUALIFICATIONS OF BOARD MEMBERS. (a) At least  
4 four of the board members appointed under AS 45.89.040(a)(2) must be  
5 residents of the state.

6 (b) At least two of the board members appointed under AS 45.89.-  
7 040(a)(2) must have experience in the field of energy technology or de-  
8 velopment.

9 Sec. 45.89.080. QUORUM. Five members of the board constitute a  
10 quorum for the transaction of business and the exercise of the powers  
11 and duties of the board.

12 Sec. 45.89.090. COMPENSATION OF BOARD MEMBERS. (a) Board members  
13 appointed under AS 45.89.040(a)(2) receive \$200 per day while in attend-  
14 ance at meetings of the board.

15 (b) All board members may receive a per diem allowance and trans-  
16 portation expenses in carrying out the duties under this chapter.

17 Sec. 45.89.100. CONFLICTS OF INTEREST. Members of the board are  
18 subject to the provisions of AS 39.50.

19 Sec. 45.89.110. EMPLOYMENT OF PERSONNEL. The board shall employ  
20 and determine the salary of an executive director. The executive direc-  
21 tor may, with the approval of the board, select and employ additional  
22 staff as necessary. The executive director and all employees of the  
23 board are in the exempt service under AS 39.25.

24 Sec. 45.89.120. ENERGY TECHNOLOGY ADVISORY COUNCIL. (a) An  
25 Energy Technology Advisory Council is established to advise the board on  
26 desirable energy technologies.

27 (b) The members of the Energy Technology Advisory Council are:

28 (1) the executive directors of the Alaska Power Authority  
29 (AS 44.56) and the Alaska Council on Science and Technology (AS 44.-

1 19.181 - 44.19.188);

2 (2) the director of the division of energy and power develop-  
3 ment of the Department of Commerce and Economic Development;

4 (3) a person appointed by and serving at the pleasure of the  
5 president of the University of Alaska;

6 (4) a member of the Board of Trustees of the Alaska Renewable  
7 Resources Corporation (AS 37.12) appointed by that board;

8 (5) six persons appointed by the board and representing  
9 business, energy, research, public interest, environmental, and govern-  
10 ment groups.

11 Sec. 45.89.130. PRINCIPAL OFFICE. The principal office of the  
12 center shall be located in Fairbanks. The board may authorize the  
13 establishment of other offices of the center in other areas of the  
14 state.

15 Sec. 45.89.140. POWERS. In carrying out the powers of the center,  
16 the board may

17 (1) adopt, alter, and use a corporate seal;

18 (2) prescribe, adopt, amend, and repeal bylaws;

19 (3) sue and be sued in the name of the center;

20 (4) enter into any agreements necessary to the exercise of  
21 its powers and functions;

22 (5) accept grants from and contract with the federal govern-  
23 ment and the state or its political subdivisions and to that end comply  
24 with the provisions of federal, state, or local programs when necessary,  
25 except that it may not enter into any agreements whereby a permanent  
26 state or local government position is funded or partially funded in  
27 connection with a project;

28 (6) accept grants and loans from sources other than those in  
29 (5) of this section to be held and used for the purposes of the center;

1 (7) appear in behalf of the center before boards, commis-  
2 sions, departments, or other agencies of municipal, state, or federal  
3 government;

4 (8) acquire, hold, use, lease, sell, or otherwise dispose of  
5 property of any kind, real, personal, or mixed, or an interest in it;

6 (9) conduct research and prepare, publish, and distribute  
7 technical studies, reports, bulletins and other materials it considers  
8 appropriate;

9 (10) hold patents, copyrights, trademarks, royalties or other  
10 evidences of protection or exclusivity issued under the laws of the  
11 United States or any state or nation obtained by persons receiving  
12 assistance from the center;

13 (11) adopt regulations governing the exercise of its powers;

14 (12) do anything necessary or desirable to carry out the  
15 purposes of the center.

16 Sec. 45.89.150. DUTIES. The board shall

17 (1) promote the commercial development of efficient and  
18 advanced energy technologies;

19 (2) subject to the availability of funds,

20 (A) sponsor energy research projects intended to accom-  
21 plish the purposes of the center;

22 (B) conduct research, development, and demonstration  
23 projects of energy technologies;

24 (C) provide financial and other support to inventors and  
25 businesses engaged in the development, demonstration, and commer-  
26 cialization of energy technologies;

27 (3) manage projects for which funding has been appropriated  
28 by the legislature;

29 (4) consult with the Alaska Council on Science and Technology

1 (AS 44.19.181 - 44.19.188), Alaska Power Authority (AS 44.56), Alaska  
2 Renewable Resources Corporation (AS 37.12), and the division of energy  
3 and power development of the Department of Commerce and Economic De-  
4 velopment in developing its programs;

5 (5) consult with other energy research and development or-  
6 ganizations.

7 Sec. 45.89.160. BUDGET AND APPROPRIATIONS. (a) The center is  
8 subject to the Executive Budget Act (AS 37.07) except as provided in (b)  
9 and (c) of this section.

10 (b) The budget of the center shall include a description and  
11 amount of proposed funding for projects to be conducted or supported by  
12 the center. Requests for project funding shall include a statement of  
13 the objectives and goals of the project, including, but not limited to,  
14 the number of jobs to be created and the number of businesses to be  
15 assisted by the project. The amount of the center's operating budget  
16 shall be specified separately from proposed project funding and adminis-  
17 tration.

18 (c) An appropriation for a project under AS 45.89.150(2) is valid  
19 for the life of the project and the unexpended balance shall be carried  
20 forward to subsequent fiscal years.

21 Sec. 45.89.170. COOPERATION WITH OTHER STATE AGENCIES AND THE  
22 UNIVERSITY OF ALASKA. (a) All departments, agencies, and public cor-  
23 porations of the state, including the University of Alaska, shall pro-  
24 vide information, services, and facilities to the center on its request.  
25 The center shall reimburse the department, agency, or corporation for  
26 expenses reasonably incurred on the center's behalf.

27 (b) When possible the center shall contract with the University of  
28 Alaska or private organizations for research activities.

29 Sec. 45.89.200. DEFINITIONS. In this chapter

1 (1) "board" means the Board of Directors of the Alaska Energy  
2 Center;

3 (2) "energy technology" means technological developments and  
4 innovations for

5 (A) efficient recovery and use of fossil fuels;

6 (B) production of energy through the use of renewable  
7 and alternative energy sources;

8 (C) energy conservation;

9 (D) development of facilities for the use of waste heat  
10 and the cogeneration of electricity and heat;

11 (E) the reduction of dependence on fossil fuels and  
12 which are appropriate for use in the state and other northern  
13 environments;

14 (3) "center" means the Alaska Energy Center.

15 \* Sec. 3. AS 39.25.110 is amended by adding a new paragraph to read:

16 (22) employees of the Alaska Energy Center.

17 \* Sec. 4. AS 39.50.200(9) is amended by adding a new subparagraph to  
18 read:

19 (SS) Alaska Energy Center (AS 45.89).

20 \* Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-  
21 070(c).

Original sponsors: Gardiner, Rogers,  
Branson, et al

Offered: 4/11/80  
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2

CS FOR HOUSE BILL NO. 687

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

ELEVENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act establishing the Alaska Energy Center, amending  
7 the Science and Technology Act, and adding fiscal  
8 provisions relating to appropriations for the work of  
9 the Alaska Energy Center; and providing for an effective  
10 date."

11

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

12

\* Section 1. FINDINGS. The legislature finds that the State of Alaska is  
13 currently receiving substantial revenues from the sale of nonrenewable energy  
14 resources to consumers in other states of the nation. The legislature recog-  
15 nizes that bringing more efficient and advanced energy technologies to the  
16 stage of commercial development may result in lower energy costs to consumers  
17 throughout the state and the nation. The legislature believes Alaska has a  
18 responsibility to use part of its nonrenewable energy resource revenues to  
19 help accomplish this goal. The legislature finds that an independent energy  
20 resource development center, initially established under the direction of the  
21 state, can best accomplish the aid to individuals and businesses necessary to  
22 develop and implement advanced energy technologies. The legislature further  
23 finds that the work of the center will provide significant employment  
24 benefits to the citizens of the state and will stimulate the development of  
25 the state's energy resources.

26

\* Sec. 2. INTENT. In establishing an Alaska Energy Center and providing  
27 money for its operation, it is the intent of the legislature that the center  
28 act to achieve self-reliance at the earliest possible date.

29

\* Sec. 3. AS 45 is amended by adding a new chapter to read: