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1 presiding officer of each house who shall have it published in the supplemental journals within
2 three weeks of the filing date.

3 (d) If loan proceeds or other program benefits are received from nonqualifying programs
4 or loans after the end of a calendar year, the legislator or legislative employee shall file a
5 statement with the commission within 30 days after the beginning of participation in the state
6 program or receipt of proceeds from the state loan or by February 15, whichever is later. If the
7 commission receives the statement while the legislature is in session, it shall promptly forward
8 the statement to the chief clerk of the house or the secretary of the senate, as appropriate, who
9 shall cause it to be published in the supplemental journal. If the commission receives a statement
10 while the legislature is not in session, it shall forward the statement to the chief clerk of the
11 house or the secretary of the senate for publication when the legislature next convenes.

12 (e) If the commission determines that the nature and circumstances under which the
13 legislator or legislative employee received a state benefit or loan raises an appearance of
14 impropriety or was in fact the result of unfair or improper influence, the commission may initiate
15 a complaint or take other appropriate action. In addition, the commission shall refer the matter
16 to the attorney general for action under other civil or criminal laws.

17 (f) The commission shall annually recommend to the Legislative Budget and Audit
18 Committee the programs and loans to be audited by the division of legislative audit during the
19 following year, including the scope of the audit. The records of the relevant state agencies shall
20 be made available to the division of legislative audit. The division of legislative audit shall
21 prepare a report to the Legislative Budget and Audit Committee on its findings. The report is
22 confidential until it is released by the committee.

23 (g) In extraordinary situations where the criteria for an exemption exists, a legislator or
24 legislative employee may seek a waiver of the disclosure requirements of this section under
25 AS 24.61.530.

26 Sec. 24.61.450. PROHIBITED CONDUCT RELATING TO DISCLOSURES. (a) A
27 person required to make a disclosure under this chapter may not knowingly make a false or
28 deliberately misleading or incomplete disclosure to the commission or to the Alaska Public
29 Offices Commission, or file a disclosure after a deadline set by this chapter or by a regulation
30 adopted by the commission or by the Alaska Public Offices Commission.

31 (b) A person who violates this section is subject to civil sanctions under AS 24.61.560(a),

1 in addition to penalties that may be imposed by the Alaska Public Offices Commission under
2 AS 24.61.424 and to removal from the ballot under AS 24.61.426.

3 ARTICLE 5. LEGISLATIVE ETHICS COMMISSION.

4 Sec. 24.61.500. LEGISLATIVE ETHICS COMMISSION ESTABLISHED. (a) The
5 Legislative Ethics Commission is established in the legislative branch of government. The
6 commission consists of seven members, selected as follows:

7 (1) one member of the senate appointed jointly by the president of the senate and
8 the senate minority leader;

9 (2) one member of the house of representatives appointed jointly by the speaker
10 of the house and the house minority leader;

11 (3) two members appointed by the supreme court; and

12 (4) three members selected by majority vote of the members appointed under (1) -
13 (3) of this subsection.

14 (b) No more than one member appointed under (a)(3) and (4) of this section may be a
15 former legislator. No more than three members of the commission may be members of the same
16 political party.

17 (c) Commissioners described in (a)(1) and (2) of this section shall be appointed within
18 15 days of the commencement of the first regular session of each legislature and shall serve until
19 the commencement of the next legislature.

20 (d) Commissioners who are not legislators serve staggered terms of four years. A
21 nonlegislator commissioner is eligible for reappointment; however, a nonlegislator commissioner
22 may not serve more than two consecutive four-year terms. A nonlegislator commissioner whose
23 term has expired continues in office until a successor has been appointed and certified.

24 (e) A vacancy on the commission is filled in the same manner as the original
25 appointment to that seat on the commission. A vacancy shall be filled within 30 days after the
26 vacancy occurs.

27 (f) The commission shall elect a chair and a vice-chair, who serve a term of two years.
28 Neither the chair nor the vice-chair may be a legislator. An officer may not hold the same office
29 for more than two consecutive terms. The vice-chair shall act as chair in the absence of the
30 chair.

31 (g) Except as provided in (a)(1) or (2) of this section, a commissioner may not be a

1 legislator, a legislative employee, an elected or appointed official required to make conflict-of-
2 interest disclosures under AS 39.50, an officer of a political party, a candidate for public office,
3 or a registered lobbyist.

4 Sec. 24.61.502. LEGISLATIVE DECERTIFICATION OR REMOVAL FROM
5 COMMISSION. (a) Within 45 legislative days after appointment, a commissioner appointed
6 under AS 24.61.500(a)(3) or (4) may be decertified by a majority vote of each house of the
7 legislature, by concurrent resolution. If the legislature adjourns from a regular session less than
8 45 days after the appointment, the running of the 45-day period is tolled until the commencement
9 of the next regular session. If decertified, the commissioner is disqualified and that seat on the
10 commission is vacant.

11 (b) A commissioner may be removed from office by a vote of two-thirds of each house
12 of the legislature, by concurrent resolution, for good cause.

13 Sec. 24.61.504. MEETINGS; COMPENSATION. (a) The commission shall meet at the
14 call of the chair or a majority of the commissioners.

15 (b) Five commissioners constitute a quorum. A vote of the majority of the
16 commissioners appointed is required for official action of the commission.

17 (c) The commission may meet by teleconference.

18 (d) Commissioners shall serve without compensation but are entitled to per diem and
19 travel expenses authorized for boards and commissions under AS 39.20.180.

20 (e) The commission shall comply with AS 44.62.310 - 44.62.312 (open meetings law).

21 Sec. 24.61.506. EXECUTIVE DIRECTOR AND STAFF. (a) The commission shall hire
22 an executive director and determine the director's salary. The executive director serves at the
23 pleasure of the commission.

24 (b) The executive director may employ and determine the compensation of necessary
25 employees, subject to the budget approved by the commission. The executive director may,
26 subject to the approval of the commission, contract for services when those services are
27 temporary or specialized in nature, or it is in the best interest of the state.

28 (c) Subject to the approval of the commission, the executive director may employ or
29 contract with legal counsel to manage, direct, and prosecute cases under this chapter.

30 (d) If the commission determines that an investigation is necessary and that the
31 investigation cannot be efficiently, promptly, or adequately handled by commission staff, the

1 executive director shall nominate a special investigator to be appointed upon approval by the
2 commission. The executive director shall maintain a list of individuals qualified to serve as a
3 special investigator by virtue of their experience, reputation, likely availability, willingness to
4 serve, and freedom from conflicts of interest.

5 (e) The executive director and employees of the commission are in the exempt service
6 under AS 39.25.110.

7 Sec. 24.61.508. APPLICABILITY OF CHAPTER TO COMMISSIONERS AND
8 EMPLOYEES; OTHER RESTRICTIONS. (a) Commissioners who are not legislators, and
9 employees of the commission, including persons employed or under contract as legal counsel or
10 special investigators, are subject to this chapter and shall be held accountable to the same
11 standards and requirements, including disclosure, as legislative assistants.

12 (b) A commission employee, including a person who provides personal services under
13 a contract with the commission, may not be a legislator, a legislative employee, an elected or
14 appointed official of a state or local governmental entity, an officer of a political party, a
15 candidate for public office, or a registered lobbyist.

16 (c) In addition to the requirements of this chapter, a commissioner who is not a legislator,
17 an employee of the commission, or a person under contract to provide personal services to the
18 commission may not

19 (1) participate in political management or in a political campaign during the
20 person's term of office, employment, or contract;

21 (2) participate in the campaign of, attend campaign fund raising events for, or
22 make a financial contribution to

23 (A) a candidate for the legislature;

24 (B) an incumbent legislator or legislative employee who is a candidate for
25 another public office; or

26 (C) a person running for another office against an incumbent legislator or
27 legislative employee;

28 (3) participate in lobbying activities that would require the person to register as
29 a lobbyist except as required to inform the legislature concerning legislation requested by the
30 commission or other matters related to the commission; or

31 (4) take an action or make a statement that is likely to cause a reasonable person

1 to believe that the commissioner, employee, or other person is not impartial or independent or
2 is otherwise unable to properly perform public duties.

3 (d) A violation or alleged violation of (b) or (c) of this section shall be treated as any
4 other violation of this chapter and shall be dealt with by the commission accordingly. During
5 the pendency of a complaint against a commissioner, commission employee, or commission
6 contractor, the person complained against may not participate in official action of the
7 commission.

8 (e) Commissioners and the executive director are subject to the disclosure requirements
9 of this chapter.

10 Sec. 24.61.510. GENERAL POWERS AND DUTIES OF THE COMMISSION. (a) The
11 commission shall

12 (1) administer the provisions of this chapter, including the adoption of regulations
13 that the commission is required to adopt;

14 (2) authorize and train its staff to give informal or written advice regarding the
15 spirit and requirements of this chapter;

16 (3) on request or its own initiative, issue formal written advisory opinions on
17 specific situations or clarify a provision of this chapter;

18 (4) consider requests for, and grant or deny, exemptions from the provisions of
19 this chapter;

20 (5) investigate and adjudicate complaints and recommend disciplinary actions to
21 the legislature;

22 (6) carry out the educational programs that are required by this chapter and
23 additional programs it considers necessary to effectuate the policy and purposes of this chapter;

24 (7) prepare and distribute an ethics education manual for legislators, legislative
25 employees, and registered lobbyists;

26 (8) design and implement voluntary ethics education courses for legislators,
27 legislative employees, and registered lobbyists;

28 (9) mail by certified mail a copy of this chapter to a candidate for the legislature
29 upon the receipt of notice of the candidate's declaration of candidacy under AS 15.25.030 or
30 petition under AS 15.25.180;

31 (10) prepare a biennial report to the legislature summarizing its activities over the

1 previous two years, evaluating the effectiveness of this chapter in accomplishing its stated
2 purposes, and recommending legislative reforms it thinks necessary to improve the administration
3 of this chapter and to better advance its goals.

4 (b) The commission may

5 (1) adopt additional regulations to interpret and implement this chapter;

6 (2) perform the other acts, duties, and functions necessary to properly administer
7 this chapter, consistent with law and the purpose of this chapter.

8 (c) In adopting regulations under (a) and (b) of this section, the commission shall follow
9 procedures that are, to the extent practicable, consistent with AS 44.62 (Administrative Procedure
10 Act). The commission shall submit its adopted regulations to the legislative council. Regulations
11 adopted by the commission do not take effect until 60 days after submission.

12 Sec. 24.61.512. REGULATIONS CONCERNING USE OF PUBLIC RESOURCES. The
13 legislative council shall develop and recommend for adoption by the commission detailed
14 regulations relating to the use of government property, resources, and personnel.

15 Sec. 24.61.515. OFFICES; BUDGET. The legislative council shall provide suitable
16 office space and equipment for the commission. The commission shall submit a budget for each
17 fiscal year to the finance committees of the legislature and shall annually submit an estimated
18 budget to the governor for information purposes in preparation of the state operating budget.

19 Sec. 24.61.520. INFORMAL ADVICE. The commission shall authorize and train its
20 staff to give oral advice and provide a written informal nonbinding advice letter to persons
21 seeking guidance as to the spirit or legal requirements of this chapter, provided that the advice
22 is given with the express stipulations that

23 (1) the opinions given are not necessarily those of the commission;

24 (2) although the advice is given in good faith, the person seeking the advice relies
25 on it at the person's own risk; and

26 (3) the advice is not binding upon the commission.

27 Sec. 24.61.525. FORMAL BINDING ADVISORY OPINIONS. (a) The commission
28 may issue a formal written advisory opinion on its own initiative, on the request of a person to
29 whom this chapter applies, or on the request of a person elected to the legislature who at the time
30 of election is not a member of the legislature.

31 (b) Requests for written advisory opinions must be in writing and set out with reasonable

1 specificity the facts and circumstances of a real or hypothetical case.

2 (c) The commission shall expeditiously determine whether to issue an advisory opinion
3 addressing the issues raised.

4 (d) An opinion shall be issued by official action of the commission. The vote of each
5 commissioner participating in the opinion shall be indicated on the opinion and it shall be
6 forwarded to the person requesting it and made a part of the public records of the commission.

7 (e) Written formal advisory opinions issued by the commission are binding on the
8 commission in a subsequent proceeding concerning the facts and circumstances of the particular
9 case. If, however, any fact determined by the commission to be material was omitted or mis-
10 stated in the request, the commission is not bound by the opinion.

11 (f) The commission may review, withdraw, or elaborate on a previously issued advisory
12 opinion.

13 (g) Under normal circumstances, the commission shall issue its opinion within 30 days
14 of receiving the request, if the request is received during the first 100 days of the legislative
15 session, or within 60 days of the request if the request is received at another time. The period
16 for issuing an opinion may be shortened or extended by the chair when that action is considered
17 necessary or appropriate to meet the goals of this chapter.

18 (h) The commission and all commission employees shall keep confidential the identity
19 of the requester and all information conveyed orally or in writing relating to the request unless
20 the requester authorizes the commission to make public the requester's identity or the information
21 conveyed.

22 (i) Advisory opinions issued by the commission are public records. If the requester of
23 the opinion has not waived confidentiality under (h) of this section, the advisory opinion shall
24 be written so that the identity of the requester cannot be ascertained.

25 Sec. 24.61.527. USE OF INFORMATION SUBMITTED WITH REQUEST FOR
26 ADVICE. The commission may not bring a complaint against a person based upon information
27 voluntarily given to the commission by the person in connection with a good faith request for
28 advice under AS 24.61.520 or 24.61.525, and may not use that information against the person
29 in a proceeding under AS 24.61.535 - 24.61.555. This subsection does not preclude the
30 commission from acting on a complaint concerning the subject of a person's request for advice
31 if the complaint is brought by another person, or if the complaint arises out of conduct taking

1 place after the advice is requested, and does not preclude the commission from using information
2 or evidence obtained from an independent source, even if that information or evidence was also
3 submitted with a request for advice.

4 Sec. 24.61.530. EXEMPTIONS PROCESS. (a) In situations in which principles of
5 fundamental fairness are best served by exempting certain individuals or acts from specified
6 provisions of this chapter, the commission may grant full or partial exemptions. The commission
7 shall provide a simple form for petitions for exemptions.

8 (b) The commission may grant an exemption upon a finding that the petitioner has shown
9 that the

10 (1) harm caused by strict application of this chapter substantially outweighs the
11 benefit of its enforcement in the particular situation;

12 (2) application of the regulation or provision under the circumstances presented
13 would be inconsistent with the spirit and purpose of the regulation or provision or of this chapter
14 as a whole; or

15 (3) purposes of this chapter and the public interest will be best served by granting
16 the applicant an exemption.

17 (c) The commission may request or permit the appearance of the petitioner before the
18 commission, in person or by teleconference, and hold hearings regarding the exemption request.

19 (d) Unless a shortened or expanded time is considered necessary or appropriate by the
20 commission, decisions on petitions for exemptions shall be made within 30 days after filing of
21 the petition. Unless the petitioner consents, extensions of time ordered by the commission may
22 not exceed an additional 60 days.

23 Sec. 24.61.535. INITIATING INVESTIGATORY AND ADJUDICATORY PROCESSES.

24 (a) A complaint alleging a violation of this chapter may be initiated by any person or by the
25 commission on its own motion. The commission shall provide a simple form for complaints.

26 A complaint must include

27 (1) the name and address of the complainant;

28 (2) a statement of the facts known or believed to be true that form the basis of
29 the complaint and the sources of the information, including the approximate dates of the acts
30 alleged and names and addresses of persons with personal knowledge of the facts alleged; and

31 (3) a certification that the complainant verifies under penalty of unsworn

1 falsification that the facts stated are true to the best of the complainant's knowledge and that the
2 complainant knows that it is a crime under AS 11.56.805 to intentionally initiate a false
3 complaint.

4 (b) Unless the chair of the commission concludes that immediate notification would
5 prejudice a preliminary investigation or subject the complainant to an unreasonable risk, a copy
6 of the complaint shall be sent to the person charged with misconduct within two working days.
7 If the matter is to be kept from the respondent for more than 10 days, a majority of the
8 commission must approve the delay in notification and establish the conditions under which the
9 respondent will be informed of the complaint.

10 (c) Until a preliminary finding on the validity of a complaint has been properly made,
11 the existence and substance of a complaint shall be kept confidential except that all members of
12 the commission and necessary staff may be informed about it.

13 (d) Upon receiving a complaint, commission staff shall review it for formal sufficiency
14 within five days of filing. If the complaint is unsigned or otherwise deficient on its face it shall
15 be returned to the complainant with a statement of the nature of the deficiency.

16 (e) Once a complaint has been determined to be formally sufficient, commission staff
17 shall evaluate the complaint and advise the chair as to its opinion as to whether it states a valid
18 complaint that should be investigated. If the executive director is a member of the bar, the
19 executive director may provide the advice. Otherwise, the executive director shall appoint a duly
20 qualified legal counsel to assist in making the determinations required under this subsection. To
21 be valid, the complaint must allege

22 (1) facts that, if true, establish a violation of a provision of this chapter for which
23 civil or administrative sanctions are authorized;

24 (2) that the conduct providing the basis of the complaint has occurred

25 (A) within five years of the complaint; or

26 (B) if the person charged with misconduct intentionally concealed or
27 otherwise sought to prevent discovery of the relevant facts, within one year of the
28 discovery of the relevant facts and within eight years of the complaint; and

29 (3) that the person charged with misconduct is a legislator or legislative employee
30 at the time of the filing of the complaint.

31 (f) Within 20 days after the filing of the complaint, or within 45 days if the chair of the

1 commission certifies additional time is required, a determination shall be made on the facial
2 validity of the complaint. If the chair concludes that there is no substantial reason to question
3 the opinion of staff as to the facial validity of a complaint, the complaint shall either be
4 dismissed or certified for further consideration in accordance with the opinion. The chair or a
5 commissioner, however, may request a hearing on the facial validity of the complaint at a
6 meeting of the commission.

7 (g) If a complaint is dismissed because of facial invalidity, it shall be returned to the
8 complainant with a notice of dismissal stating in detail the reason for dismissal. If the
9 commission finds that the complaint was frivolous, malicious, or was filed in bad faith, it shall
10 so state in the notice of dismissal. If the commission finds that the complaint alleges violations
11 outside the scope of this chapter, it shall so state and may forward the complaint to the
12 appropriate enforcement body for disposition. A copy of the notice of dismissal shall be sent to
13 the respondent. The notice of dismissal is a public record.

14 (h) If the commission concludes that some or all of the allegations of the complaint, if
15 proven, would constitute a violation of this chapter, or if the commission has initiated the
16 complaint, the complaint shall be certified and a factual investigation shall commence. The
17 record of certification for further consideration is confidential subject to subsequent actions that
18 may make it part of the public record.

19 Sec. 24.61.540. INVESTIGATIONS. (a) Investigation into ethics charges shall be
20 undertaken in a manner that assures the public of an impartial and comprehensive review, is fair
21 to the respondent, and that elicits the information the commission needs to make a decision.

22 (b) Before commencing an investigation, the commission shall adopt a written resolution
23 defining the scope of the investigation, a copy of which shall be supplied to both the complainant
24 and respondent. If, during the investigation, additional facts are discovered that justify an
25 expansion of the investigation and the possibility of additional charges beyond those alleged in
26 the complaint, the resolution shall be amended accordingly with copies sent to respondent. The
27 resolution, and the fact that an investigation has been undertaken, shall be kept confidential by
28 the commission except that, upon inquiry, the commission may verify that it is investigating a
29 complaint along with a statement that no finding of probable cause has been made and that no
30 adverse inference of impropriety or guilt should be drawn from the decision to investigate.
31 Additional facts concerning the nature or results of the investigation may not be revealed except

1 as provided in AS 24.61.545 after a determination of probable cause has been made.

2 (c) A legislator or a legislative employee may request in writing that the commission
3 investigate charges of impropriety made against the legislator or legislative employee. The
4 request must state with specificity the nature of the investigation requested. If the commission
5 agrees to undertake an investigation, the investigation is not necessarily limited in scope by the
6 request and, once begun, it shall be handled as any other investigation, with the person requesting
7 the investigation formally treated as a respondent.

8 (d) An investigation is conducted by the commission staff, and if the commission
9 determines it is necessary, by outside counsel and investigators. The purpose of the investigation
10 is to determine whether there is probable cause to proceed with a full adjudicatory hearing.

11 (e) The person conducting the investigation may order a hearing and subpoena witnesses
12 and documents, conduct depositions under oath, require the participation of the respondent, and
13 issue interrogatories to be answered under oath. An oral or written statement, whether
14 incriminatory or exculpatory, may not be considered in the investigator's report unless made
15 under oath. The respondent shall be given an adequate opportunity to provide testimonial and
16 documentary evidence.

17 (f) Upon completion of the investigation, a confidential report summarizing the evidence,
18 evaluating its credibility, and detailing findings on each of the allegations investigated shall be
19 submitted to the commission, along with recommendations as to whether the complaint, or a
20 portion of it, should be dismissed or whether the matter should proceed to the full hearing stage.
21 The report shall be prepared so as to exclude unreliable information and uncorroborated and
22 irresponsible allegations. The investigator's notes, records of interviews, and other investigatory
23 matter considered unreliable or unduly prejudicial by the commission shall remain confidential.

24 Sec. 24.61.545. PROBABLE CAUSE DETERMINATION. (a) The commission shall
25 consider the investigator's report in closed session. It shall determine whether there is credible
26 evidence that would give a reasonable person probable cause to believe that a violation of a
27 provision of this chapter for which civil or administrative sanctions are authorized has occurred.

28 (b) If the commission does not find probable cause under (a) of this section, it shall
29 dismiss the complaint and so notify the complainant and respondent with a notice of dismissal,
30 stating in detail the reason for dismissal. If the commission finds that the charges were frivolous,
31 malicious, made in bad faith, or that, in its opinion the respondent should be exonerated of the

1 charges, it shall so state in the notice of dismissal. If the commission finds that the credible
2 evidence, though not giving rise to probable cause, does suggest the violation of other provisions
3 of law, it shall so state and may forward the complaint and its report to the appropriate
4 enforcement body for disposition.

5 (c) The notice of dismissal under (b) of this section and the investigator's report under
6 AS 24.61.540(f), but not the underlying investigatory materials, shall be made public unless the
7 commission determines that this would unfairly prejudice either the respondent or complainant.
8 This subsection may not be construed to prevent either the complainant or respondent from
9 making the notice of dismissal and the report public.

10 (d) If the commission finds probable cause under (a) of this section, it shall serve on the
11 respondent, in a manner consistent with the service of summons under the rules of civil
12 procedure, a formal charge stating the specific allegations and containing a proposed date for an
13 adjudicatory hearing under AS 24.61.550.

14 (e) The hearing may not be scheduled to commence sooner than 20 days after service
15 of the formal charge on the respondent. If the respondent requests an earlier hearing date, the
16 commission may, but is not required to, consent. The commission shall, upon request, grant the
17 respondent reasonable additional time to prepare a defense. The respondent may file a responsive
18 pleading admitting or denying the various allegations.

19 (f) The commission may suspend further proceedings if the respondent acknowledges the
20 violation and agrees to corrective actions and sanctions considered appropriate by the
21 commission. If the commission suspends the proceedings or dismisses the charges as a result
22 of a negotiated settlement, the terms and conditions of the settlement and the reasons for entering
23 into the agreement shall be stated in a written report that shall be sent to the complainant and
24 made part of the public record.

25 (g) Upon determining that probable cause exists under (a) of this section, the commission
26 shall make public the investigator's report containing findings and recommendations, but not the
27 underlying investigatory materials.

28 Sec. 24.61.550. ADJUDICATORY HEARING. (a) An adjudicatory hearing shall be
29 before a hearing board composed of the commission chair and four commissioners appointed by
30 the chair. If the chair cannot attend all hearing sessions without undue inconvenience, the vice-
31 chair shall serve in the chair's place. If neither the chair nor the vice-chair is available, the chair

1 shall appoint another commissioner. Appointments to hearing boards shall be rotated among the
2 commissioners.

3 (b) The chair, vice-chair, or a commissioner designated by the chair, as appropriate, shall
4 preside at the hearing. The executive director or other legal counsel designated by the
5 commission may attend and advise and counsel the hearing board.

6 (c) An adjudicatory hearing shall be public under AS 44.62.310. A hearing may not be
7 held by teleconference. Except as expressly provided in this chapter, procedures shall be
8 consistent with hearing procedures under AS 44.62.330 - 44.62.630. Upon request, the presiding
9 commissioner may issue reasonable discovery and protective orders in a manner consistent with
10 Rule 26 of the Alaska Rules of Civil Procedure.

11 (d) A hearing board may

12 (1) administer oaths and affirmations and subpoena individuals, including the
13 respondent, to testify or to submit to written interrogatories under oath;

14 (2) compel the production of documentary or tangible evidence;

15 (3) pay witnesses the same fees and mileage reimbursements paid in similar
16 circumstances by the courts of the state;

17 (4) seek enforcement of subpoenas by written application of the commission to
18 the superior court.

19 (e) The respondent may

20 (1) appear before the hearing board and submit testimony or other evidence;

21 (2) personally, or through counsel, request production of documentary or tangible
22 evidence, subpoena, examine, and cross-examine witnesses, raise objections, and make arguments;

23 (3) exercise the pretrial discovery procedures available in civil actions.

24 Sec. 24.61.555. FINDINGS AND RECOMMENDATIONS. (a) Within 10 days after
25 the completion of a hearing, the hearing board shall vote on each charge to determine whether
26 it was established by clear and convincing evidence, and shall prepare a written opinion along
27 with recommendations, if any. A vote of three commissioners is required to find a violation and
28 approve an opinion.

29 (b) As to each charge on which the evidence was found to be insufficient to establish a
30 violation, the hearing board shall include its findings in its written opinion. If the board finds
31 that the charges were frivolous, malicious, made in bad faith, or that, in its opinion the

1 respondent should be exonerated of the charges, it shall so state in its opinion. The responder's
2 reasonable legal fees should be paid in full from public funds if the respondent is exonerated.

3 (c) As to each charge on which the evidence was found to be sufficient to establish a
4 violation, the hearing board shall include its findings of fact and law in its written opinion, along
5 with recommendations as to appropriate sanctions.

6 Sec. 24.61.560. CIVIL SANCTIONS. (a) When a hearing board considers the
7 appropriate recommended sanctions to be included in its opinion, it shall give due consideration
8 to the purposes of this chapter, the nature of the violation, and other circumstances that are
9 included in the hearing record. The board may recommend, either singly or in combination,

10 (1) a civil penalty of not more than \$5,000 for each offense, or twice the amount
11 improperly gained by the misconduct, whichever is greater;

12 (2) divestiture of specified assets or withdrawal from specified associations;

13 (3) detailed disclosure, with or without additional periodic reporting requirements;

14 (4) suspension from legislative employment, with or without pay;

15 (5) restitution or reimbursement;

16 (6) suspension of pay until orders are complied with;

17 (7) probationary status;

18 (8) a written reprimand;

19 (9) censure, including a recommendation that a legislator censured may not serve
20 as a chair or co-chair on a legislative committee for the remainder of the legislator's current term
21 in office;

22 (10) expulsion of a legislator or dismissal of a legislative employee;

23 (11) payment of costs related to the investigation and adjudication of the charge;

24 (12) another sanction fashioned to achieve the purposes of this chapter.

25 (b) If the commission finds that a violation of AS 24.61.100 - 24.61.450 contributed
26 substantially to the enactment of legislation or to other legislative action, the commission may
27 recommend to the presiding officer of each house that the legislation be repealed or amended or
28 that the other legislative action be rescinded or modified.

29 Sec. 24.61.565. RECOMMENDATIONS TO THE LEGISLATURE WHERE VIOLATOR
30 IS A LEGISLATOR. (a) If the person found to have violated this chapter is or was a member
31 of the legislature, the hearing board's recommendations shall be forwarded by the chair of the

1 commission to the presiding officer of the appropriate house of the legislature.

2 (b) If the legislature is in session, the entire house shall determine the sanctions, if any,
3 that are to be imposed. The vote shall be taken within 10 legislative days of receipt of the
4 commission's recommendations.

5 (c) If the legislature is not in session, the presiding officer of the appropriate house may
6 request the legislature to consider convening itself into special session under AS 24.05.100(a)(2)
7 to consider the hearing board's recommendations. If expulsion is recommended, the presiding
8 officer shall so request. If the legislature does not convene itself into special session, the
9 appropriate house shall consider the recommendations during the first 10 days of the next regular
10 session.

11 (d) Except in the case of expulsion, which requires a two-thirds vote, all other sanctions
12 shall be determined by a majority vote of the full house of which the legislator is a member.

13 Sec. 24.61.570. RECOMMENDATIONS WHERE VIOLATOR IS A LEGISLATIVE
14 EMPLOYEE. If the person found to have violated this chapter is or was a legislative employee,
15 the hearing board's recommendations shall be forwarded to the appropriate appointing authority
16 which shall, as soon as is reasonably possible, determine the sanctions, if any, to be imposed.
17 The appointing authority may not question the hearing board's findings of fact. The appointing
18 authority shall assume the validity of the board's findings, and determine and impose the
19 appropriate sanctions.

20 Sec. 24.61.575. ACTIONS BY THE ATTORNEY GENERAL. The attorney general may
21 independently bring civil actions relating to violations under this chapter regardless of the
22 outcome or settlement of a charge before the commission, provided that the cumulative civil
23 penalties imposed for a violation may not exceed the amount that could be imposed in an action
24 before the commission. This subsection does not prohibit the attorney general from bringing an
25 action under another civil or criminal law.

26 Sec. 24.61.580. WAIVER OF CONFIDENTIALITY. (a) The subject of a complaint
27 may waive any provision of AS 24.61.535 - 24.61.550 relating to the confidentiality of the
28 proceedings. However, the commission or the hearing board may vote to deliberate in closed
29 session, notwithstanding a request by the complainant under this subsection.

30 (b) The commission may publicly respond to a statement or interpretation made
31 concerning the contents of an advisory opinion or decision it has issued or is purported to have

1 issued. A person who requests an advisory opinion and makes that fact public is considered to
2 have waived the confidentiality of the person's identity.

3 ARTICLE 6. GENERAL PROVISIONS.

4 Sec. 24.61.900. RELATIONSHIP TO COMMON LAW AND OTHER LAWS. (a) The
5 provisions of this chapter specifically replace, supersede, and where necessary repeal provisions
6 of the common law relating to legislative conflict of interest.

7 (b) This chapter does not exempt a person from applicable provisions of another law
8 unless the law is expressly superseded or incompatibly inconsistent with specific provisions of
9 this chapter.

10 Sec. 24.61.910. APPLICABILITY. Unless otherwise specifically stated, the provisions
11 of this chapter apply to legislators and legislative employees.

12 Sec. 24.61.920. MAINTENANCE OF DOCUMENTS. Documents filed with or produced
13 by the commission as public records shall be retained for at least six years.

14 Sec. 24.61.930. COOPERATION OF OTHERS. If the commission requests their
15 cooperation, a state agency, official, employee, or a person whose conduct is regulated by this
16 chapter shall cooperate with the commission. An individual shall make information reasonably
17 related to an investigation available to the commission on written request. The commission may
18 request and shall receive from every officer, department, division, board, agency, commission,
19 house of the legislature, or other agency of the state, cooperation and assistance in the
20 performance of its duties.

21 Sec. 24.61.940. CONFIDENTIALITY. A person subject to the provisions of this chapter
22 may not knowingly make an unauthorized disclosure of confidential information acquired in the
23 course of official duties. A person who violates this section is subject to civil sanctions under
24 AS 24.61.560(a) and may be subject to prosecution under AS 11.56.860 or another law.

25 Sec. 24.61.990. DEFINITIONS. (a) In this chapter,

26 (1) "administrative action" means conduct related to the development, drafting,
27 consideration, enactment, defeat, application, or interpretation of a rule, regulation, policy, or
28 other action in a regulatory proceeding or a proceeding involving a license, permit, franchise, or
29 entitlement for use;

30 (2) "anything of value," "benefit," or "thing of value" includes all matters, whether
31 tangible or intangible, that could reasonably be considered to be a material advantage, of material

1 worth, use, or service to the person to whom it is conferred; the terms are intended to be
2 interpreted broadly and encompass all matters that the recipient might find sufficiently desirable
3 to do something in exchange for;

4 (A) "anything of value," "benefit," or "thing of value" includes but is not
5 limited to

- 6 (i) money;
- 7 (ii) products or merchandise;
- 8 (iii) works of art or collectibles;
- 9 (iv) stocks, bonds, notes, or options;
- 10 (v) an interest in real property;
- 11 (vi) contracts or a promise of a future interest in a contract;
- 12 (vii) an interest or a promise of a future interest in a business;
- 13 (viii) meals, beverages, or lodging;
- 14 (ix) transportation;
- 15 (x) services, including loaned employees;
- 16 (xi) loans, loan guarantees, co-signing;
- 17 (xii) forgiveness of a debt;
- 18 (xiii) discounts or rebates not extended to the public generally;
- 19 (xiv) tickets or admissions;
- 20 (xv) free or discounted use of office facilities;
- 21 (xvi) loan of office equipment;
- 22 (xvii) radio or television time;
- 23 (xviii) promise or offer of present or future employment;
- 24 (xix) use of autos, boats, apartments, or other recreational or
25 lodging facilities;
- 26 (xx) intangible rights such as a cause of action;
- 27 (xxi) licenses, patents, copyrights, or an interest in them;
- 28 (xxii) any other item having economic value;

29 (B) "anything of value," "benefit," or "thing of value" does not include

- 30 (i) an item listed in AS 24.61.210(b);
- 31 (ii) campaign contributions, pledges, political endorsements,

1 support in a political campaign, or a promise of endorsement or support;

2 (iii) contributions to a cause or organization, including a charity,
3 made in response to a direct solicitation from a legislator or a person acting at the
4 legislator's direction;

5 (iv) grants under AS 37.05.316 to named recipients;

6 (3) "charitable organization" means an organization that qualifies for a federal tax
7 exemption under 26 U.S.C. 501(c)(3);

8 (4) "close economic association" means a financial relationship that exists between
9 a person covered by this chapter and some other person or entity, including but not limited to
10 relationships where the person covered by this chapter serves as a consultant or advisor to, is a
11 member or representative of, or has a financial interest in, any association, partnership, business,
12 or corporation;

13 (5) "commission" means the Legislative Ethics Commission;

14 (6) "compensation" means remuneration for personal services rendered, including
15 salary, fees, commissions, bonuses, and similar payments, but does not include reimbursement
16 for actual expenses incurred by a person;

17 (7) "confidential information" means information that has been classified
18 confidential by law;

19 (8) "exonerate" means to free from a charge or the imputation of guilt, or to prove
20 blameless;

21 (9) "honorarium" means anything of value, other than reimbursement of travel
22 expenses, given to a person for making a speech, panel presentation, personal appearance, or
23 similar activity;

24 (10) "immediate family" means the spouse, parents, children, including a stepchild
25 and an adoptive child, and siblings of a person;

26 (11) "income" means gross income as defined in 26 U.S.C. 61 in effect on
27 January 1, 1990, and all gifts, awards, and inheritances;

28 (12) "intent to influence legislative, administrative, or political action" means that
29 an act, including the offering or conferring of a thing of value to a public official, is done with
30 the intent to induce the official to do or refrain from doing an act;

31 (13) "knowingly" has the meaning given in AS 11.81.900;

1 (14) "legislative action" means conduct relating to the development, drafting,
2 consideration, sponsorship, enactment or defeat, support or opposition to or of a law, amendment,
3 resolution, report, nomination, or other matter affected by legislative action or inaction;

4 (15) "legislative assistant" means a legislative employee whose assigned duties
5 involve the exercise of substantial discretion and judgment; it does not include employees who
6 perform purely clerical or ministerial functions; the legislative council shall propose policies
7 relating to the interpretation of this definition, and the commission shall consider the adoption
8 of these guidelines as regulations;

9 (16) "legislative director" means the director of the legislative finance division,
10 the legislative auditor, the director of the legislative research agency, the ombudsman, the
11 executive director of the Legislative Affairs Agency, and the directors of the divisions within the
12 Legislative Affairs Agency;

13 (17) "legislative employee" means a person, other than a legislator, who is
14 compensated by the legislative branch in return for regular or substantial personal services,
15 regardless of the person's pay level or technical status as a full-time or part-time employee,
16 independent contractor, or consultant; it includes members and staff of the commission; it does
17 not include individuals who perform functions that are incidental to legislative functions, such
18 as security, messengers, maintenance, and print shop employees; for purposes of this paragraph,
19 "regular or substantial" means work that is expected to involve, or does involve, at least 400
20 hours in a calendar year or 300 hours during a regular legislative session; the legislative council
21 shall propose policies relating to the interpretation of this definition, and the commission shall
22 consider the adoption of these guidelines as regulations;

23 (18) "lobbyist" means a person who is required to register under AS 24.45.041
24 and is described under AS 24.45.171(8)(A), but does not include a volunteer lobbyist described
25 in AS 24.45.161(a)(1) or a representational lobbyist as defined under regulations of the Alaska
26 Public Offices Commission;

27 (19) "local government" means a municipality, a municipal school district, or a
28 regional educational attendance area;

29 (20) "political action" means conduct in which public officials, including
30 legislators or legislative employees, use their official position or political contacts to exercise
31 influence on state and local government employees or entities; it includes but is not limited to

1 endorsing and pledging support or actively supporting a legislative matter, a nominee, or a
2 candidate for public office;

3 (21) "reasonably should know" means that, under the circumstances, a reasonable
4 person would know a fact;

5 (22) "registered lobbyist" means a person who is required to register under
6 AS 24.45.041;

7 (23) "representation" means action taken on behalf of another, whether for
8 compensation or not, including but not limited to telephone calls and meetings and appearances
9 at proceedings or meetings.

10 (b) A person, including a governmental entity, has a substantial interest in legislative,
11 administrative, or political action if the person

12 (1) is not a natural person and will be directly and substantially affected
13 financially by a legislative, administrative, or political action;

14 (2) is a natural person and will be directly and substantially affected financially
15 by a legislative, administrative, or political action in a way that is greater than the effect on a
16 substantial class of persons to which the person belongs as a member of a profession, occupation,
17 industry, or region;

18 (3) has or seeks contracts in excess of \$10,000 annually for goods or services with
19 the legislature or with an agency of state government;

20 (4) is a lobbyist;

21 (5) represents, with or without compensation, a person or organization described
22 in (1) - (4) of this section; or

23 (6) is not the state or federal government or an agency of the state or federal
24 government.

25 * Sec. 3. AS 11.56.805(a) is amended to read:

26 (a) A person commits the crime of false accusation if the person knowingly or
27 intentionally initiates a false complaint with the [SELECT COMMITTEE ON] Legislative Ethics
28 Commission established under AS 24.61 [IN AS 24.60].

29 * Sec. 4. AS 15.25.030(b) is amended to read:

30 (b) A person filing a declaration of candidacy under this section other than for a state
31 legislative office shall simultaneously file with the director a statement of income sources and

1 business interests that complies with the requirements of AS 39.50. A person filing a
2 declaration of candidacy for state legislative office shall simultaneously file with the director
3 a disclosure statement that complies with the requirements of AS 24.61.400.

4 * Sec. 5. AS 15.25.030(c) is amended to read:

5 (c) An incumbent public official, other than a legislator, who has a current statement
6 of income sources and business interests under AS 39.50 on file with the Alaska Public Offices
7 Commission, or an incumbent legislator who has a current disclosure statement under
8 AS 24.61.400 on file with the Alaska Public Offices Commission, is not required to file a
9 statement of income sources and business interests or a disclosure statement with the
10 declaration of candidacy under (b) of this section.

11 * Sec. 6. AS 15.25.180(b) is amended to read:

12 (b) A person filing a nominating petition under this section other than for a state
13 legislative office shall also file with the director a statement of income sources and business
14 interests that complies with the requirements of AS 39.50 within 30 days of filing the petition.
15 A person filing a nominating petition for state legislative office shall file with the director
16 a disclosure statement that complies with the requirements of AS 24.61.400 within 30 days
17 of filing the petition.

18 * Sec. 7. AS 15.25.180(c) is amended to read:

19 (c) An incumbent public official, other than a legislator, who has a current statement
20 of income sources and business interests under AS 39.50 on file with the Alaska Public Offices
21 Commission, or an incumbent legislator who has a current disclosure statement under
22 AS 24.61.400 on file with the Alaska Public Offices Commission, is not required to file a
23 statement of income sources and business interests or a disclosure statement with the
24 declaration of candidacy under (b) of this section.

25 * Sec. 8. AS 23.20.526(d)(8) is amended to read:

26 (8) in the employ of the state or a political subdivision of the state if the service
27 is performed by an individual in the exercise of duties

28 (A) as a "public official" as defined in AS 39.50.200(a), [OR] any other
29 elected official, the fiscal analyst of the legislative finance division, the legislative
30 auditor of the legislative audit division, the executive director of the Legislative
31 Affairs Agency, and the directors of the divisions within the Legislative Affairs

1 Agency;

2 (B) as a member of the Alaska Army National Guard or Alaska Air
3 National Guard or Alaska Naval Militia; or

4 (C) as an employee serving on only a temporary basis in case of fire,
5 storm, snow, earthquake, flood, or similar emergency;

6 * Sec. 9. AS 24.10.110 is amended to read:

7 Sec. 24.10.110. LEGISLATIVE OFFICE ALLOWANCE [ADDITIONAL
8 ALLOWANCES]. In addition, each member of the legislature is entitled to an annual allowance
9 of \$6,000 [PRESCRIBED IN ACCORDANCE WITH AS 39.23] for postage, stationery,
10 stenographic services, and other expenses.

11 * Sec. 10. AS 24.10 is amended by adding a new section to read:

12 Sec. 24.10.111. SUPPLEMENTAL OFFICE EXPENSES. (a) A legislator may be
13 reimbursed for lawful legislative expenses to supplement the allowance prescribed by
14 AS 24.10.110 and the resources generally provided to legislators by the legislature and its
15 agencies.

16 (b) The legislative council shall, within 10 days of the beginning of a regular session of
17 the legislature in an odd-numbered year, set a maximum amount up to \$2,000 that may be
18 reimbursed under (a) of this section. If the council does not set a maximum amount under this
19 section, the previously established maximum amount remains in effect. The council may vary
20 the maximum amount according to the number of constituents a legislator represents.

21 (c) Expenses relating to newsletters may be reimbursed under this section only if the
22 newsletter complies with guidelines on newsletters that the legislative council shall adopt and
23 with the provisions of AS 24.61.

24 * Sec. 11. AS 24.10 is amended by adding a new section to read:

25 Sec. 24.10.140. APPROVAL OF CERTAIN TRAVEL REQUIRED. A legislator in a
26 final term may not travel out of state at legislative expense unless the specific out-of-state trip
27 is approved by a majority of the legislative council, either at a meeting or by a poll of the
28 members with a written record of the vote, regardless of which legislative entity or legislative
29 account will be paying for the travel. In this section, "legislator in a final term" means a
30 legislator who

31 (1) fails to file for reelection or for election to another seat in the legislature

1 before the filing deadline; or

2 (2) is defeated for reelection or for election to another seat in the legislature in
3 a primary or general election.

4 * Sec. 12. AS 24.10 is amended by adding new sections to read:

5 ARTICLE 5. DEFENSE OF LEGISLATORS AND LEGISLATIVE EMPLOYEES.

6 Sec. 24.10.300. DEFENSE OF LEGISLATORS AND LEGISLATIVE EMPLOYEES.

7 (a) Except as otherwise provided in AS 24.10.300 24.10.400 and after written request of a
8 legislator or legislative employee, the Legislative Affairs Agency shall represent the legislator
9 or legislative employee

10 (1) in a civil or criminal action brought against the legislator or employee because
11 of an act or omission that occurred within the scope of the legislator's service with or the
12 employee's employment by the legislature;

13 (2) before a civil or criminal action is filed if the filing of a civil or criminal
14 action against the legislator or employee is threatened or likely because of an act or omission that
15 occurred within the scope of the legislator's service with or the employee's employment by the
16 legislature.

17 (b) The Legislative Affairs Agency may not represent a legislator or a legislative
18 employee under (a) of this section if the executive director of the Legislative Affairs Agency
19 determines that

20 (1) the act or omission was not within the scope of the legislator's service or
21 employee's employment, unless an arbitrator determines under AS 24.10.310 that the act or
22 omission was within the scope of service or employment;

23 (2) the agency's defending the action would create a conflict of interest between
24 the legislature and the individual legislator or employee; or

25 (3) the legislator or employee is covered by insurance that requires the carrier to
26 provide an attorney to defend the action.

27 (c) The Legislative Affairs Agency may refuse to represent a legislator or legislative
28 employee under (a) of this section if the legislator or employee fails to deliver to the executive
29 director of the Legislative Affairs Agency a legible copy of the pleading that states the claim
30 against the legislator or employee within 10 days after the legislator or employee receives it.

31 (d) The Legislative Affairs Agency shall provide representation under this section by its

1 own staff or by private counsel who is under contract with the agency.

2 Sec. 24.10.310. SCOPE OF EMPLOYMENT; ARBITRATION. If the Legislative Affairs
3 Agency denies representation under AS 24.10.300(b)(1), the legislator or legislative employee
4 may request arbitration under AS 09.43 on the issue of whether the act or omission was within
5 the scope of the legislator's service with or employee's employment by the legislature. The
6 arbitrator's decision under this subsection does not affect the Legislative Affairs Agency's duty
7 of reimbursement under AS 24.10.330, legislator's or employee's duty of reimbursement under
8 AS 24.10.340, or the rights or duties of any other person. The method of appointment of the
9 arbitrator is governed by the rules of the American Arbitration Association.

10 Sec. 24.10.320. CONFLICT; PAYMENT OF FEES BY THE LEGISLATIVE AFFAIRS
11 AGENCY. If the executive director of the Legislative Affairs Agency determines that there is
12 a conflict of interest between the legislature and the individual legislator or legislative employee
13 and that representation would otherwise be authorized by AS 24.10.300, the Legislative Affairs
14 Agency shall pay for reasonable attorney fees and costs necessary for the defense of the legislator
15 or employee. However, the agency shall consult in advance with the prospective attorney for the
16 legislator or employee about the amount of payment and shall inform the legislator or employee
17 in writing of the maximum amount agreed to by the agency. Within 30 days after receiving the
18 agency's written notification of the maximum payable, the legislator or employee may request
19 arbitration under AS 09.43 for the purpose of determining a reasonable maximum amount of
20 payment. The amount payable by the agency is the amount decided by the arbitrator or the
21 amount originally set by the agency after consultation, whichever is greater. If arbitration is
22 requested, the method of appointment of the arbitrator is governed by the rules of the American
23 Arbitration Association.

24 Sec. 24.10.330. REIMBURSEMENT BY LEGISLATIVE AFFAIRS AGENCY. The
25 Legislative Affairs Agency shall reimburse a legislator or legislative employee for reasonable
26 attorney fees and costs incurred in defense of an action to the extent the agency failed to
27 represent the legislator or employee in that action

28 (1) under AS 24.10.300(b)(1), and it is judicially determined that the act or
29 omission was within the scope of legislative service or employment; or

30 (2) under AS 24.10.300(b)(3), and it is judicially determined that the legislator
31 or employee was not covered by insurance that required the carrier to provide an attorney to

1 defend the action.

2 Sec. 24.10.340. REIMBURSEMENT BY LEGISLATOR OR EMPLOYEE. If the
3 Legislative Affairs Agency represents a legislator or legislative employee in a civil action under
4 AS 24.10.300, and it is judicially determined that the legislator's or employee's act or omission
5 involved actual fraud, wilful misconduct, or actual malice, or if the agency represents a legislator
6 or employee in a criminal action under AS 24.10.300 and the legislator or employee is found
7 guilty, the legislator or employee is liable to the agency for the reasonable attorney fees and costs
8 incurred or paid by the agency for the defense of the legislator or employee in that action.

9 Sec. 24.10.350. RESERVATION OF RIGHTS BY THE LEGISLATIVE AFFAIRS
10 AGENCY. The Legislative Affairs Agency reserves the right to determine whether it will
11 indemnify a legislator or legislative employee who is defended under AS 24.10.300 - 24.10.400
12 if a judgment is rendered against the legislator or employee.

13 Sec. 24.10.360. INADMISSIBILITY OF DECISION. The Legislative Affairs Agency's
14 decision not to represent a legislator or legislative employee and an arbitrator's decision under
15 AS 24.10.310 are inadmissible in the action for which representation was denied.

16 Sec. 24.10.400. DEFINITIONS. In AS 24.10.300 - 24.10.400,

17 (1) "action" includes a civil action and a criminal action;

18 (2) "civil action" includes a claim against a legislator made by cross-claim,
19 counterclaim, or third-party claim;

20 (3) "legislator" means a present or former legislator;

21 (4) "legislative employee" means a present or former employee of a legislator or
22 of any agency in the legislative branch of government.

23 * Sec. 13. AS 24.40.010 is amended to read:

24 AS 24.40.010. IMMUNITIES. A legislator may not be held to answer before another
25 [ANY OTHER] tribunal for a [ANY] statement made at any time regarding the meaning of
26 or legislative intent behind a statute or resolution that was enacted by a legislature of which
27 the legislator was a member or made in the exercise of legislative duties while the legislature
28 is in session. A member attending, going to, or returning from legislative sessions is not subject
29 to civil process and is privileged from arrest except for felony or breach of the peace. The
30 immunities provided in this section extend to a legislator attending, going to, or returning from
31 a meeting of an interim standing or special committee of the legislature of which the legislator

1 is a member. For the purposes of going to and returning from a session or meeting, the
2 immunities provided extend to a legislator for a period of five days immediately preceding and
3 following the legislator's attendance at the session or meeting.

4 * **Sec. 14.** AS 24.45.121 is amended by adding a new subsection to read:

5 (c) A former legislator may not act as a lobbyist until the conclusion of the next full
6 regular legislative session following the legislator's departure from office.

7 * **Sec. 15.** AS 24.45.171(12) is amended to read:

8 (12) "public official" or "public officer" means a public official as defined in
9 AS 39.50.200(a), a member of the legislature, or a legislative director as defined in
10 AS 24.61.990(a); however, it does not include a judicial officer or an elected or appointed
11 municipal officer.

12 * **Sec. 16.** AS 39.25.110 is amended by adding a new paragraph to read:

13 (30) executive director and staff of the Legislative Ethics Commission.

14 * **Sec. 17.** AS 39.50.020 is amended to read:

15 Sec. 39.50.020. REPORT OF FINANCIAL AND BUSINESS INTERESTS. (a) A
16 judicial officer, commissioner, chair [CHAIRMAN] or member of a state commission or board
17 specified in AS 39.50.200(b), a person hired or appointed as head or deputy head of, or director
18 of a division within, a department in the executive branch, a person appointed as assistant to the
19 governor, and a municipal officer, shall file a statement giving income sources and business
20 interests, under oath and on penalty of perjury, within 30 days after taking office as a public
21 official. Candidates for governor and lieutenant governor [STATE ELECTIVE OFFICER] shall
22 file such a statement with the director of elections at the time of filing a declaration of candidacy
23 or within 30 days of the filing of any nominating petition, or within 30 days of becoming a
24 candidate by any other means. Candidates for elective municipal office shall file such a
25 statement at the time of filing a nominating petition, declaration of candidacy, or other required
26 filing for the elective municipal office. Refusal or failure to file within the time prescribed shall
27 require that the candidate's filing fees, if any, and filing for office be refused or that a previously
28 accepted filing fee be returned and the candidate's name removed from the filing records. A
29 statement shall also be filed by public officials no later than April 15 or 15 days after the person
30 files a federal income tax return in each following year, whichever comes first. Persons who,
31 on or after December 11, 1974, were members of boards or commissions not named in

1 AS 39.50.200(b) are not required to file financial statements.

2 (b) The governor, lieutenant governor, [MEMBERS OF THE LEGISLATURE,] judicial
3 officers, each commissioner, head or deputy head of, or director of a division within, a
4 department in the executive branch, assistant to the governor or chair [CHAIRMAN] or member
5 of a commission or board required to report under this chapter, shall file the statement with the
6 Alaska Public Offices Commission. Candidates for the office of governor and [,] lieutenant
7 governor [, AND THE LEGISLATURE] shall file the statement under AS 15.25.030 or
8 15.25.180. Municipal officers, and candidates for elective municipal office, shall file with the
9 municipal clerk or other municipal official designated to receive their filing for office. All
10 statements required to be filed under this chapter are public records.

11 * **Sec. 18.** AS 39.50.200(a)(8) is amended to read:

12 (8) "public official" means a judicial officer, [A MEMBER OF THE
13 LEGISLATURE, THE FISCAL ANALYST OF THE LEGISLATIVE FINANCE DIVISION,
14 THE LEGISLATIVE AUDITOR OF THE LEGISLATIVE AUDIT DIVISION, THE
15 EXECUTIVE DIRECTOR OF THE LEGISLATIVE AFFAIRS AGENCY AND THE
16 DIRECTORS OF THE DIVISIONS WITHIN THE LEGISLATIVE AFFAIRS AGENCY,] the
17 governor, the lieutenant governor, a person hired or appointed as the head or deputy head of, or
18 director of a division, a department in the executive branch, an assistant to the governor, chair
19 [CHAIRMAN] or member of a state commission or board, the executive director of the Alaska
20 Tourism Marketing Council, and each appointed or elected municipal officer;

21 * **Sec. 19.** AS 39.52.910(a) is amended to read:

22 (a) Except as specifically provided, this chapter applies to all public officers within
23 executive-branch agencies, including members of boards or commissions. This chapter does not
24 apply to a former public officer of an executive-branch agency unless a provision specifically
25 states that it so applies. This chapter does not apply to legislators covered by AS 24.61
26 [AS 24.60].

27 * **Sec. 20.** AS 24.55.310, AS 24.60, AS 39.50.025, and 39.50.120 are repealed.

28 * **Sec. 21.** INITIAL COMMISSION APPOINTMENTS. (a) Notwithstanding AS 24.61.500(d), as
29 added by sec. 2 of this Act, the terms of the members initially appointed to the Legislative Ethics
30 Commission are as follows:

31 (1) one of the members appointed by the supreme court and one of the members

1 appointed by the Legislative Ethics Commission, determined by lot, serve terms of four years;

2 (2) the other member appointed by the supreme court serves a term of three years;

3 (3) one of the members appointed by the Legislative Ethics Commission, determined by
4 lot, serves a term of two years;

5 (4) the third member appointed by the Legislative Ethics Commission serves a term of
6 one year.

7 (b) A member serving a one-year or two-year term under this section is eligible for
8 reappointment to two consecutive four-year terms. A member serving a three-year term under this
9 section may not be reappointed to two consecutive four-year terms.

10 * **Sec. 22. TRANSITIONAL PROVISIONS RELATING TO VIOLATIONS OF FORMER AS 24.60.**

11 Notwithstanding the repeal of AS 24.60 by sec. 20 of this Act, in addition to the provisions of AS 24.61,
12 as added by sec. 2 of this Act, the Legislative Ethics Commission may consider complaints alleging
13 violations of AS 24.60 that occurred prior to January 1, 1992, and for which proceedings have not been
14 commenced or concluded prior to January 1, 1992. For the purpose of this section, the Legislative
15 Ethics Commission shall follow the procedures established under AS 24.61, but may not recommend a
16 sanction or penalty not authorized under former AS 24.60.

17 * **Sec. 23. TRANSITIONAL PROVISIONS RELATING TO REPRESENTATION OF OTHERS.**

18 Notwithstanding AS 24.61.190, as added by sec. 2 of this Act, a legislator or legislative assistant who
19 is subject to AS 24.61.190 may, until July 1, 1992, represent a person in a manner that would otherwise
20 be prohibited under AS 24.61.190 if the legislator or legislative assistant promptly files a statement with
21 the Legislative Ethics Commission that includes the name of the client, an identifying name or number
22 of the action, a brief description of the nature of the action, and the amount of compensation received
23 or anticipated relating to the representation. The statement shall be published in the journal of the
24 appropriate house. If information contained in the statement changes, a supplemental statement shall be
25 filed every 90 days until the matter is completed or July 1, 1992, at which time the representation must
26 be terminated. The representation may continue beyond July 1, 1992, if the legislator or legislative
27 assistant applies for, and the Legislative Ethics Commission grants, an exemption to the termination date
28 under AS 24.61.530, as added by sec. 2 of this Act. In this section, "legislative assistant" has the
29 meaning given in AS 24.61.990, as added by sec. 2 of this Act.

30 * **Sec. 24. APPLICABILITY OF AS 24.10.300 - 24.10.400.** Nothing in AS 24.10.300 - 24.10.400,
31 as enacted by sec. 12 of this Act, impairs a right under a contract in effect on the effective date of

1 sec. 12 of this Act.

2 * **Sec. 25.** AS 24.61.420, 24.61.500 - 24.61.580, and 24.61.990, as added by sec. 2 of this Act, and
3 secs. 12, 13, 21, and 24 of this Act take effect July 1, 1991.

4 * **Sec. 26.** Except as provided in sec. 25 of this Act, this Act takes effect January 1, 1992.

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO: CSHB 4 (STA)

Revision Date: _____
 Title: "An Act establishing a legislative ethics commission... for legislators...employees..."
 Sponsor: House State Affairs
 Requestor: House State Affairs

Department Affected: Legislative Affairs Agency
 BRU: Legislative Council

Component: Legislators' Salaries & Allow. Council & Subcommittees & Legal Svcs.

COMPONENT SERIAL NO:

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	48.9	48.9	48.9	48.9	48.9	48.9
TRAVEL	130.4	130.4	130.4	130.4	130.4	130.4
CONTRACTUAL	28.6	28.6	28.6	28.6	28.6	28.6
SUPPLIES	3.0	3.0	3.0	3.0	3.0	3.0
EQUIPMENT	20.5	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	231.4	210.9	210.9	210.9	210.9	210.9

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	231.4	210.9	210.9	210.9	210.9	210.9
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	231.4	210.9	210.9	210.9	210.9	210.9

POSITIONS:

FULL-TIME	2	2	2	2	2	2
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary)

see attached 2 pages.

Prepared By: Pamela A. Stoops, Director
 Division: Administrative Services

Pamela A. Stoops

Phone: 465-3850
 Date: 4/5/91

Approved By: Warren W. Endicott, Executive Director
 Agency: Legislative Affairs Agency

Warren W. Endicott

Date: 4/5/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

CONTINUATION OF FISCAL NOTE: CSHB 4 (STA)

This fiscal note reflects changes in requested funding for Legislators' Salaries & Allowances, Legal Services and Ethics funding in the Council & Subcommittees component. FY 92 budget request of \$3,716,000 for Legislators' Salaries & Allowances is in addition to the requested figures in this fiscal note.

PERSONAL SERVICES

1. Staff is requested as follows to assist the Legislative Ethics Commission:

Executive Director - Range 24A			
	\$5,084 x 12 months =	\$61,008	
	\$61,008 x 35% benefits =	<u>\$21,585</u>	
		\$82,593	82.6
Executive Secretary - Range 15A			
	\$2,745 x 12 months =	\$32,940	
	\$32,940 x 42% benefits =	<u>\$13,987</u>	
		\$46,927	<u>46.9</u>
			129.5

The elimination of the House and Senate Ethics Committees will no longer require an attorney position from the Legal Services Division. -80.6

TRAVEL

2. It is anticipated there will be 6 meetings of the Legislative Ethics Commission.

6 meetings x 7 members at 3 days each			
airfare - 6 meetings x 7 members = 42 airfares			
	42 airfares x \$436 =	\$18,312	
per diem - 6 meetings x 7 members = 42			
	42 x 3 days per diem = 126		
	126 x \$95 =	<u>\$11,970</u>	
		\$30,282	30.3

3. Legislative Ethics Commission staff travel - travel for Executive Director and staff to Legislative Ethics Commission meetings and other related travel - \$10,000. 10.0

4. A new subsection is added to reimburse a member of the Legislature for up to two round trip tickets from Juneau to a city in the district from which the legislator was elected during each regular session of the Legislature.

2 trips each session			
Coach travel for 57 legislators			
	\$28,789 x 2 trips = \$57,578	57.6	
Per Diem - 3 days x 57 legislators x \$95/day = \$16,245/trip			
	2 trips x \$16,245 = \$32,490	<u>32.5</u>	
		90.1	90.1

A reduction in the cost of two trips home could be realized if the wording of section 10 was changed. As it is now these two trips home are not for committee, subcommittee or other official business of the legislature.

CONTINUATION OF FISCAL NOTE: CSHB 4 (STA)

CONTRACTUAL

- | | |
|--|-------|
| 5. Professional services for contracts to investigate compliance with the Legislative Ethics Act of 1991 with outside investigators, attorneys, additional staff, etc. Training services for orientation education courses, etc. \$30,000. | 30.0 |
| 6. Lease office space funding
1,000 sq. ft x \$2.00 sq. ft = \$2,000 \$2,000 x 12 months = \$24,000 | 24.0 |
| 7. Preparation & publication of the Legislative Ethics Education Manual; development and dissemination of training materials - \$15,000. | 15.0 |
| 8. Phones and postage - \$800 a month x 12 months = \$9,600. | 9.6 |
| 9. Elimination of funding of the House and Senate Ethics Committees - \$50,000. | -50.0 |

SUPPLIES

- | | |
|--|-----|
| 10. Office Supplies - paper, stationery, etc. - \$3,000. | 3.0 |
|--|-----|

EQUIPMENT

- | | |
|---|------|
| 11. 3 desks, 2 filing cabinets, bookcases, 3 chairs, 3 computers, 1 laser printer, phone system, etc. Misc. equipment to furnish Legislative Ethics Commission staff office - \$20,500. | 20.5 |
|---|------|

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO: HB 4

Revision Date: _____
Title: "An Act establishing a legislative ethics commission... for legislators...employees..."
Sponsor: Rep. Finkelstein
Requestor: Rep. Finkelstein

Department Affected: Legislative Affairs Agency
BRU: Legislative Council

Component: Legislators' Salaries & Allowances Council & Subcommittees

COMPONENT SERIAL NO: 776 & 783

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	660.2	1070.4	1070.4	1070.4	1070.4	1070.4
TRAVEL	102.9	-77.2	-77.2	-77.2	-77.2	-77.2
CONTRACTUAL	478.6	478.6	478.6	478.6	478.6	478.6
SUPPLIES	3.0	3.0	3.0	3.0	3.0	3.0
EQUIPMENT	20.5	5.0	5.0	5.0	5.0	5.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	1265.2	1479.8	1479.8	1479.8	1479.8	1479.8

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	1265.2	1479.8	1479.8	1479.8	1479.8	1479.8
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	1265.2	1479.8	1479.8	1479.8	1479.8	1479.8

POSITIONS:

FULL-TIME	3	3	3	3	3	3
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary)

see attached 2 pages.

Prepared By: Pamela A. Stoops, Director *Pamela Stoops* Phone: 465-3850
Division: Administrative Services Date: 1/30/91

Approved By: Warren W. Endicott, Executive Director *Warren Endicott*
Agency: Legislative Affairs Agency Date: 1/30/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

CONTINUATION OF FISCAL NOTE: HB 4

This fiscal note reflects changes in requested funding for Legislators' Salaries & Allowances component and Ethics funding in the Council & Subcommittees component. FY 92 budget request of \$3,596,000 for Legislators' Salaries & Allowances and \$50,000 for House & Senate Ethics Committee is in addition to the requested figures in this fiscal note.

PERSONAL SERVICES

1. Staff is requested as follows to assist the Legislative Ethics Commission:

Executive Director - Range 24A			
	\$5,084 x 12 months =	\$61,008	
	\$61,008 x 35% benefits =	<u>\$21,585</u>	
		\$82,593	82.6
Administrative Assistant - Range 19A			
	\$3,637 x 12 months =	\$43,644	
	\$43,644 x 39% benefits =	<u>\$16,884</u>	
		\$60,528	60.5
Executive Secretary - Range 15A			
	\$2,745 x 12 months =	\$32,940	
	\$32,940 x 42% benefits =	<u>\$13,987</u>	
		\$46,927	46.9
			<u>190.0</u>

2. Compensation of legislators.

Effective January 1, 1992, legislators' annual salaries will change from \$22,872 to \$36,000. The below figures show the FY 92 cost including benefits for 6 months at the new rate and the estimated FY 93 cost including benefits for 12 months.

CURRENT FY 92 BUDGET REQUEST	HB 4 FY 92 COST
LEGISLATORS' SALARIES	LEGISLATORS' SALARIES
\$2,068,928	\$2,539,133

FY 92 increased personal services cost under Salaries & Allowances would be \$470,205. 470.2

FY 93 estimated increase in personal services cost under Salaries & Allowances is \$880,428.

TRAVEL

3. It is anticipated there will be 6 meetings of the Legislative Ethics Commission.

6 meetings x 7 members at 3 days each			
airfare - 6 meetings x 7 members = 42 airfares			
	42 airfares x \$436 =	\$18,312	
compensation - 6 meetings x 7 members = 42			
	42 x 3 days compensation = 126		
	126 x \$175 =	\$22,050	
per diem - 6 meetings x 7 members = 42			
	42 x 3 days per diem = 126		
	126 x \$95 =	<u>\$11,970</u>	
		\$52,332	52.3

CONTINUATION OF FISCAL NOTE: HB 4

4. Additional stipend for the Chair of the Commission. Stipend is an annual amount - \$500.	0.5
5. Legislative Ethics Commission staff travel - travel for Executive Director and staff to Legislative Ethics Commission meetings and other related travel - \$10,000.	10.0
6. Eliminates long-term per diem for legislators. Amount budgeted in FY 92 Legislative Affairs budget is \$230,100. Actuals for FY 90 were \$159.4. Long term per diem rates were increased 5/16/90 from \$50-\$55/day to \$65/day. Savings is only 50.0 for FY 92.	-230.1
7. A new subsection is added to reimburse a member of the Legislature for up to two round trip tickets from Juneau to a city in the district from which the legislator was elected during each regular session of the Legislature.	
2 trips each session Coach travel for 57 legislators \$28,789 x 2 trips = \$57,578	57.6
Per Diem - 3 days x 57 legislators x \$95/day = \$16,245/trip 2 trips x \$16,245 = \$32,490	32.5
	<hr/> 90.1
	90.1

CONTRACTUAL

8. Legislators allowances are being changed from \$4,000 annually to 14 representatives @ \$7,000 for 1 district, 26 representatives @ \$9,000 for 2 districts, 8 senators @\$9,000 for a single-senator district & 12 senators @\$13,000 for a two-senator district.	
14 reps x \$7,000 = \$98,000	
26 reps x \$9,000 = \$234,000	
8 senators x \$9,000 = \$72,000	\$560,000 proposed
12 senators x \$13,000 = \$156,000	\$240,000 current
	<hr/> \$320,000 increase
	320.0
9. Professional services for contracts to investigate compliance with the Legislative Ethics Act of 1991 with outside investigators, attorneys, additional staff, etc. Training services for orientation education courses, etc. - \$75,000.	75.0
10. Lease office space funding 1,000 sq. ft x \$2.00 sq. ft = \$2,000 \$2,000 x 12 months = \$24,000	24.0
11. Preparation & publication of the Legislative Ethics Education Manual; development and dissemination of training materials - \$50,000.	50.0
12. Phones and postage - \$800 a month x 12 months = \$9,600.	9.6

SUPPLIES

13. Office Supplies - paper, stationery, etc. - \$3,000.	3.0
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EQUIPMENT

14. 3 desks, 2 filing cabinets, bookcases, 3 chairs, 3 computers, 1 laser printer, phone system, etc. Misc. equipment to furnish Legislative Ethics Commission staff office - \$20,500.	20.5
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STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. CSHB4

Revision Date: March 11, 1991

Department Affected: Administration

Title: Legislative Ethics Act of 1991

BRU: Alaska Public Offices Commission

Component: _____

Sponsor: _____

Requestor: _____

COMPONENT SERIAL NO.

70

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	164.5	122.5	126.6	130.8	135.2	140.3
TRAVEL	3.0	3.0	3.0	3.0	3.0	3.0
CONTRACTUAL	5.4	24.7	24.7	24.7	24.7	24.7
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	172.9	147.2	151.3	158.5	162.9	168.0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	172.9	147.2	151.3	158.5	162.9	168.0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	172.9	147.2	151.3	158.5	162.9	168.0

POSITIONS:

FULL-TIME	3	2	2	2	2	2
PART-TIME	2	2	2	2	2	2
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: \$0

ANALYSIS: (Attach a separate page if necessary.)
See attached narrative.

Prepared By: Karen Boorman
Division: Administration

Phone: 276-4176

Date: April 3, 1991

Approved by Commissioner: Annie Laurie Howard

Agency: Alaska Public Offices Commission

Date: April 3, 1991

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

3/18/91

CSHB4

Personnel:

* Associate Coordinator Range 18A \$40,723
** Paralegal Range 16A \$35,343
Documents Examiner Range 13A \$28,854 (starting 1/1/92)
Clerk III (ANC) 1/2 time Range 8A \$10,666
Clerk III (JNO) 1/2 time Range 8E \$10,981

Benefits:

30% of base salaries (includes insurance) \$37,970

Travel:

* * Regulations hearing \$3,000

Contractual Services:

Instruction/educational materials
(design, print, postage for forms and manuals) \$5,400

***** Legal fees**

Hearing \$12,000
Witness fee 250
Subpoenas \$3,000
Transcripts \$1,000

*Funding for this full-time position will be required if the FY92 budget decrement is adopted. If there is no budget decrement a part time position (30 hours per week) will suffice.

**Funding for paralegal position and travel for regulations hearing required for FY92 only.
(\$38,343 total)

***Complaint investigation funds will be necessary after FY92.

CS HB 4 FISCAL NARRATIVE

This bill establishes new financial disclosure requirements for legislators, candidates for the legislature and legislative directors and restricts lobbyists use of state property and participation in legislative campaigns.

The lobbying provisions prohibit lobbyists from using state property or resources, and from becoming actively involved in campaign management or fundraising. The financial disclosure requirements for the legislature are more detailed than current law and establish categories of income that require disclosure of amounts under some circumstances.

The commission anticipates it will incur start-up costs as it prepares to assume its duties in administering these provisions. Staff time will have to be spent developing forms, manuals, and instructional material, and preparing proposed regulation changes for commission adoption. The APOC FY 92 budget includes a budget reduction of \$115,200 for the FY 92 adjusted base, including a reduction in staff, travel and printing. Remaining staff cannot undertake these start-up activities, so new positions would be required. Printing and distribution costs for new materials would need to be supplemented.

The commission will receive ongoing requests for advice about interpretations of the law, including questions such as whether a source of income is a category A or B source, whether and under what circumstances and for what types of category A income must amounts be given. Staff will also be required to respond to increased questions from local and other state candidates due to confusion over which set of rules apply to them.

The commission anticipates several new complaints annually alleging that a legislator, legislative candidate or a lobbyist has violated one or more of these prohibitions. Potential complaints include allegations that a legislative candidate did not reveal a category A source of income and did not disclose the true value of the income or that a lobbyist is not observing the new fundraising restrictions. The commission anticipates that one complaint annually will proceed to public hearing before the commission, the expense of which cannot be absorbed from funds currently budgeted.

The commission will need to hold a hearing in FY 92 to adopt regulatory changes. The expenses of such a hearing are not funded within the FY 92 budget.

In order to meet the mandates of the new law, the commission will need to add one professional staff member (Associate Coordinator - Range 18) and one paraprofessional staff member (Paralegal - Range 16) to develop regulations, revise manuals and forms during the first year. In subsequent years two positions will not be necessary and the associate coordinator will absorb the

ngoing advice and complaint investigation workload. Because the one secretary/receptionist in the Anchorage office cannot absorb additional telephone, front counter, filing and typing tasks which will result from the increased workload, the commission also will need a part-time clerk typist III (Range 8). In order to investigate complaints about lobbyists, the Juneau office will require half-time clerical help throughout the year instead of the six months budgeted. This will press the lobbying administrator's time for advice to lobbyists about application of the law to their activities, and for investigatory fact finding.

A detailed breakdown of the costs associated with administration and enforcement of this bill is attached.

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. HB 4

Revision Date: _____

Title: An Act establishing a legislative ethics commission.

Sponsor: Finkelstein

Requestor: House State Affairs

Department Affected: Administration

BRU: Alaska Public Offices Commission

Component: _____

COMPONENT SERIAL NO.

0	0	7	0
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	135.8	94.7	98.2	101.4	104.7	108.4
TRAVEL	5.0	2.0	2.0	2.0	2.0	2.0
CONTRACTUAL	2.0	18.3	18.3	18.3	18.3	18.3
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	142.8	115.0	118.5	121.7	125.0	128.7

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	142.8	115.0	118.5	121.7	125.0	128.7
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	142.8	115.0	118.5	121.7	125.0	128.7

POSITIONS:

FULL-TIME	3	2	2	2	2	2
PART-TIME	1	1	1	1	1	1
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)
See attached narrative.

Prepared by: Karen Boorman
Division: Alaska Public Offices Commission

Phone: 276-4176
Date: 2/22/91

Approved by Commissioner: Millett Ke'ler
Agency: Administration

Date: 2/22/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

HB 4 NARRATIVE

This bill includes several provisions which will create new prohibitions on campaign finance activity by legislative candidates and lobbyists. The Alaska Public Offices Commission will administer the provisions and will investigate and adjudicate alleged violations.

The campaign finance provisions prohibit misuse of campaign contributions, prohibit improper disbursement of surplus campaign funds, and restrict the time period during which funds may be raised. The lobbying provisions prohibit lobbyists from using state property or resources, and from becoming actively involved in campaign management or fundraising.

The commission anticipates it will incur start-up costs as it prepares to assume its duties of administering these provisions. Staff time will have to be spent revising forms, manuals, and training materials, and preparing proposed regulation changes for commission review. The APOC FY 92 budget includes a budget reduction of \$115,200 from the FY 92 adjusted base, including a reduction in staff, travel and printing. Remaining staff cannot undertake these start-up activities, so new positions would be required. Printing and distribution costs for new materials would need to be minimally supplemented.

The commission will receive ongoing requests for advice about interpretation of the law, including questions such as whether a planned campaign expenditure is permissible, and whether a loan is "bona fide" and therefore can be retired from surplus campaign funds. Staff will also be required to respond to increased questions from local candidates due to confusion over which set of rules apply to them. Staff will need extra funds in FY 93 (the first election during which candidates must comply with the law) to travel to locations throughout the state to conduct training seminars to help candidates comply with the new provisions.

The commission anticipates several new complaints annually alleging that a legislative candidate or a lobbyist has violated one or more of these prohibitions. Potential complaints include allegations that campaign funds have been used for a candidate's personal benefit, that a candidate has knowingly paid more than fair market value for campaign goods or more than fair market wages to family members, that a legislator has solicited contributions outside the prescribed time period, and that a lobbyist is not observing the new fundraising restrictions. The commission anticipates that one complaint annually will proceed to public hearing before the commission, the expense of which cannot be absorbed from funds currently budgeted.

The commission will need to hold a hearing in FY 92 to work on regulatory changes. The expenses of such a hearing are not funded within the FY 92 budget.

In order to meet the mandates of the new law, the commission will need to add one professional staff member (Associate Coordinator - Range 18) and one paraprofessional staff member (Paralegal -- Range 16) to develop regulations, revise manuals and forms, and conduct training during the first year. In subsequent years two positions will not be necessary and the associate coordinator will absorb the ongoing advice and complaint investigation workload. Because the one secretary/receptionist in the Anchorage office cannot absorb additional telephone, front counter, filing and typing tasks which will result from the increased workload, the commission also will need a clerk typist IV (Range 9). In order to investigate complaints about lobbyists, the Juneau office will require half-time clerical help throughout the year instead of the six months budgeted. This will free the lobbying administrator's time for advice to lobbyists about application of the law to their activities, and for investigatory fact finding.

A detailed breakdown of the costs associated with administration and enforcement of this bill is attached.

ACTUAL COSTS

Personnel:	Associate Coordinator Range 18A	\$38,784
	*Paralegal Range 16A	33,660
	Clerk IV (ANC) Range 9A	21,564
	Clerk III (JNO)1/2 time Range 8B	10,452

Benefits: 30% (includes insurance costs)

Travel:	* 1 regulations hearing	3,000
	Candidate training	2,000

Printing: 2,000

Note: *Funding for paralegal position and regulations hearing will only be necessary for FY92. Complaint investigation funds will be necessary after FY92 as follows:

legal fees - hearings	\$12,000
witness fees	250
subpoenas	3,000
transcripts	<u>1,000</u>
TOTAL	16,250

Rep. Finkelstein
May 13, 1991

Proposed CSHB 4 (FIN): Legislative Ethics Act

(amendments to the House Judiciary CS to HB 4)

1. page 2, line 31:
delete "public"
insert "state"
2. page 3, line 16:
delete "public"
insert "state"
3. page 3, line 25:
delete "public"
insert "state"
4. page 5, line 30:
delete "constituent"
insert "person"
5. page 6, line 1:
delete "constituent or another"
insert "person"
6. page 7, line 2:
delete "state or local government"
insert "the state or a local government in the state"
7. page 7, line 24:
delete paragraph (6), which concerns ceremonial gifts
8. page 8, line 2:
add a new subsection to read, "(9) gifts that are not
connected with the recipient's legislative status."
9. page 8, line 16:
delete "a state entity"
insert "an entity of the state government"
10. page 8, line 22 through page 9, line 7:
delete the entire Section 24.61.230, which prohibits
improper intercession on behalf of others.
11. page 11, line 8:
add a new paragraph to read:
"(4) gifts with a value of \$100 or more."
12. page 11, line 16:
after "report", delete "during"
insert "for"

13. (part of the amendment is in the work draft)
page 11, line 17:
The Administration section is broken out into paragraphs, and amended to clarify that APOC shall adopt regulations to implement AS 24.61.450, as well as AS 24.61.400 - 24.61.426. Also, APOC shall examine all financial disclosure statements and report possible violations to the Legislative Ethics Commission.
The administration section will now read as follows:

"The Alaska Public Office Commission shall
 (1) adopt regulations to implement and interpret the provisions of AS 24.61.400 - 24.61.426 and AS 24.61.450;
 (2) prepare standardized forms on which the statements required by AS 24.61.400 shall be filed; and
 (3) examine, investigate, and compare all reports and statements required by AS 24.61.400, and report all possible violations of this chapter it discovers to the commission."
14. page 34, line 23:
delete "the lawful expenses of maintaining a legislative office"
insert "lawful legislative expenses"
15. page 34, line 25-28:
delete "Expenses eligible for reimbursement under this section include those incurred in a district office in the capital city. (b) Expenses that may be paid with public funds under AS 24.61 (Legislative Ethics Act" are presumed to be lawful"
16. page 34, line 30:
after "maximum amount", insert "up to \$2,000"
17. page 35, line 6:
delete the entire Section 24.10.130, which provides each legislator with two trips to the legislator's district each session.

HB5

HOUSE COMMITTEE REPORT

(11)

Date Referred: January 30, 1991

FURTHER REFERRALS:

Date of Committee Action: 2/4/91

The FINANCE Committee considered:

HB 5

HOUSE BILL NO. 5

APPROP: K - 12 SUPPORT AND CONSTR. DEPT

"An Act making appropriations to the Department of Education for K - 12 support and school construction debt retirement; and providing for an effective date."

RECOMMENDATIONS:

be replaced with CSHR 5 (FINANCE) the same title a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact _____

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) _____

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

	Check appropriate column:	Do Not Pass	No Rec	Amend
clean	<u>Eileen P. McLean</u>			
write	<u>Mike Spavone</u>			
own	<u>Jan Brown</u>			
when	_____			
okd	_____			
mes	<u>Conner Hobbes</u>			
arp	<u>Bob M. Sharp</u>			
son	<u>Bruce J. ...</u>			
mer	<u>Mark ...</u>			
yer	<u>Mark ...</u>			

Mike Spavone Eileen P. McLean
CO - Chairman's Signature

CS FOR HOUSE BILL NO. 5 (FINANCE)
 IN THE LEGISLATURE OF THE STATE OF ALASKA
 SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:

Referred:

Funding Information:	General Fund	\$560,681,200
	Other Funds	<u>45,723,000</u>
		\$606,404,200

Sponsor(s): REPRESENTATIVES ELLIS, Bruckman, Carney, Parnell, B.Davis, Ulmer, MacLean, Boyer, Kubina

A BILL

FOR AN ACT ENTITLED

1 "An Act making an appropriation to the Department of Education for K - 12 support
 2 and education program support; and providing for an effective date."

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

4 * Section 1. The sum of \$606,404,200 is appropriated from the general fund and from other funds
 5 in the amount listed to the Department of Education for the purposes expressed and allocated in the
 6 amounts listed for operating expenditures for the fiscal year ending June 30, 1992:

7	FUND SOURCE	AMOUNT
8	General fund	\$560,681,200
9	Public school trust fund (AS 37.14.110)	7,499,000
10	School fund (AS 43.50.140)	2,500,000
11	P.L. 81-874	20,624,000
12	Federal receipts other than	
13	P.L. 81-874	15,100,000
14	PURPOSE	ALLOCATION AMOUNT

1	Foundation program	\$541,746,200
2	Student lunch program	15,000,000
3	Cigarette tax distribution	2,500,000
4	Tuition students	13,878,500
5	Boarding home grants	230,000
6	Youth in detention	800,000
7	Schools for the handicapped	3,077,500
8	Pupil transportation	28,572,000
9	Community schools	600,000
10	* Sec. 2. This Act takes effect July 1, 1991.	



Official Business

Alaska State Legislature

Re

P.O. Box V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

TO: Rep. Mike Navarre, Co-Chair Finance Committee
Rep. Eileen Maclean, Co-Chair Finance Committee

FROM: Rep. Johnny Ellis, Chair *JE*
House Rules Committee

RE: HB 5

DATE: January 29, 1991

Thank you for scheduling HB 5 for such an early hearing. The HESS Committee approved and passed HB 5 at Tuesday's Committee hearing with updated figures. The vote was unanimous for early funding for education.

House Bill 5 combines two education ideals: early funding and full funding. As an appropriation measure separate from the budget, HB 5 can provide state funding for K-12 support and for school construction *earlier* in the session. This is critical for timely school district budgeting.

House Bill 5 provides full funding for the foundation program, pupil transportation and school debt reimbursement. Full funding for education programs is supported by many legislators. Constituents are clear that they do not want education cut and that legislators should live up to their constitutional obligation for education.

The words "full funding" are not meant to imply that this amount is the "ideal" amount for education. Rather, full funding is the terminology used for achieving the three statutory requirements relating to education funding.

1. Meet the instructional unit value for the foundation program, at the \$60,000 unit value.
2. Meet the pupil transportation contract requirements.
3. Meet the state's obligation for school construction debt retirement.

Once again, thanks for scheduling HB 5.

Representative Johnny Ellis — Early Funding For Education Budget — New Revisions

	A	B	C	D	E
1					
2					
3	HB 5				
4		FY 91 Full	FY91 Authorized	FY92 Hickel	FY92 Full
5	Foundation Program	526,467,100	505,425,100	495,266,900	541,746,200
6	Pupil Transportation	27,120,551	24,737,000	22,931,200	28,572,000
7	Debt Reimbursement	125,140,618	116,688,600	108,170,300	128,986,128

ALASKA DEPARTMENT OF EDUCATION				
FY 92 PROJ FOUNDATION BASED UPON APPROPR. OF \$495,266,900 STATE GF				
PREPARED 1/22/91	COLUMN A	COLUMN B	COLUMN C	COLUMN D
	FY92	PROJ 92		
	STATE AID	STATE AID	COLUMN A	PERCENT OF
	FULL 100%	BASED ON APP	LESS	COLUMN B
	ENTITLMENT	OF \$495,266.9	COLUMN B	TO COLUMN A
ADAK	\$2,173,342	\$1,862,389	\$310,953	85.69%
ANHETTE ISLANDS	1,305,462	1,127,763	\$177,699	86.39%
NORTH SLOPE	8,057,882	7,138,734	\$919,148	88.59%
VALDEZ	2,699,117	2,407,913	\$291,204	89.21%
BRISTOL BAY	1,663,201	1,492,252	\$170,949	89.72%
NORTHWEST ARCTIC	11,464,556	10,313,997	\$1,150,559	89.96%
LOWER YUKON	9,908,488	8,940,576	\$967,912	90.23%
UNALASKA	1,668,678	1,508,715	\$159,963	90.41%
CHATNAM	2,556,923	2,312,807	\$244,116	90.45%
KENAI	39,335,955	35,609,300	\$3,726,655	90.53%
KASHUNAMIUT	1,390,596	1,261,494	\$129,102	90.72%
PRIBILOF	1,415,689	1,284,490	\$131,199	90.73%
KEYCHIKAN	10,378,089	9,416,508	\$961,581	90.73%
BERING STRAIT	12,719,470	11,546,478	\$1,172,992	90.78%
ALEUTIANS EAST	2,916,674	2,647,819	\$268,855	90.78%
SITKA	6,305,158	5,726,021	\$579,137	90.81%
SKAGWAY	822,752	748,662	\$74,090	90.99%
YUPIIT	3,503,802	3,192,094	\$311,708	91.10%
DILLINGHAM	2,915,918	2,657,503	\$258,415	91.14%
JUNEAU	20,626,989	18,801,818	\$1,825,171	91.15%
SOUTHWEST	5,029,342	4,584,800	\$444,542	91.16%
SELENA	1,202,673	1,098,183	\$104,490	91.31%
KODIAK	11,967,600	10,928,575	\$1,039,025	91.32%
ANCHORAGE	162,149,942	148,082,762	\$14,067,180	91.32%
KAKE	1,036,056	946,242	\$89,814	91.33%
CORDOVA	2,265,566	2,069,292	\$196,274	91.34%
YUKON/KOYUKUK	5,421,496	4,954,773	\$466,723	91.39%
DELTA/GREELY	4,244,749	3,879,958	\$364,791	91.41%
PETERSBURG	3,051,475	2,790,167	\$261,308	91.44%
FAIRBANKS	60,237,647	55,143,823	\$5,093,824	91.54%
HAINES	2,258,312	2,068,285	\$190,027	91.59%
LOWER KUSKOKWIM	27,763,760	25,434,297	\$2,329,463	91.61%
IDITAROD	4,386,121	4,025,523	\$360,598	91.78%
WRANGELL	2,603,187	2,391,134	\$212,053	91.83%
HAT-SU	42,994,356	39,498,484	\$3,495,872	91.87%
SOUTHEAST	5,096,142	4,684,222	\$411,920	91.92%
LAKE AND PENINSU	5,474,080	5,033,354	\$440,726	91.95%
HOONAH	1,405,719	1,293,808	\$111,911	92.04%
ALEUTIAN REGION	680,468	626,923	\$53,545	92.13%
CHUGACH	1,421,776	1,309,907	\$111,869	92.13%
KLAWOCK	1,290,491	1,189,607	\$100,884	92.18%
HOME	4,913,430	4,529,435	\$383,995	92.18%
ALASKA GATEWAY	4,346,718	4,007,253	\$339,465	92.19%
YUKON FLATS	4,788,884	4,416,629	\$372,255	92.23%
KUSPUK	4,684,283	4,321,421	\$362,862	92.25%
CRAIG	2,138,924	1,974,684	\$164,240	92.32%
YAKUTAT	1,157,318	1,068,510	\$88,808	92.33%
PELICAN	561,341	518,321	\$43,020	92.34%
TANANA	1,168,693	1,079,340	\$89,353	92.35%
ST. MARY'S	1,304,147	1,208,421	\$95,726	92.66%
COPPER RIVER	5,087,336	4,715,627	\$371,709	92.69%
VENANA	1,503,966	1,394,319	\$109,647	92.71%
HYDABURG	981,799	910,476	\$71,323	92.74%
RAILBELT	3,013,707	2,800,283	\$213,424	92.92%
OT SCHOOLS	531,460,945	484,976,171	46,484,774	
DGC/CCS=	10,285,221	10,285,221	0	
RAND TOTAL	541,746,166	495,261,392	46,484,774	

Foundation
Program :

Full vs.

Gov. Proposed

For FY92

FOUND92.XLS

Foundation Program FY92

ALASKA DEPARTMENT OF EDUCATION						
PROJECTED FY92 FOUNDATION PROGRAM ENTITLEMENT						
PREPARED 12/27/90 UPDATED 1/28/91						
	BASIC NEED	FY92 REQUIRED	ELIGIBLE	PL81-874	DEDUCTIBLE	PROJECTED FY92
	\$60,000	LOCAL	PL81-874	PERCENTAGE	PL81-874	FOUNDATION STATE AID
ADAK	84,449,600	0	\$2,529,176	100.00%	\$2,276,258	\$2,173,342
ALASKA GATEWAY	4,857,600	0	567,647	100.00%	510,882	4,346,718
ALEUTIAN REGION	766,200	0	95,258	100.00%	85,732	680,468
ALEUTIANS EAST	3,847,200	329,364	667,958	100.00%	601,162	2,916,674
ANCHORAGE	201,295,200	39,009,792	235,626	63.88%	135,466	162,149,942
ANNETTE ISLANDS	2,542,800	0	1,374,820	100.00%	1,237,338	1,305,462
BERING STRAIT	16,785,000	0	4,517,256	100.00%	4,065,530	12,719,470
BRISTOL BAY	2,446,200	537,251	328,110	83.22%	245,748	1,663,201
CHATNAM	3,493,200	0	1,040,308	100.00%	936,277	2,556,923
CHUGACH	1,600,800	0	198,915	100.00%	179,024	1,421,776
COPPER RIVER	5,319,000	0	257,404	100.00%	231,664	5,087,336
CORDOVA	2,808,600	527,340	25,291	68.95%	15,694	2,265,566
CRAIG	2,350,200	184,381	29,883	100.00%	26,895	2,138,924
DELTA/GREELY	5,220,000	0	1,083,612	100.00%	975,251	4,244,749
DILLINGHAM	3,697,800	510,254	419,938	71.87%	271,628	2,915,918
FAIRBANKS	72,890,400	12,635,307	42,574	45.53%	17,446	60,237,647
GALENA	1,495,200	80,711	452,425	52.02%	211,816	1,202,673
HAINES	2,719,200	457,334	8,416	46.92%	3,554	2,258,312
HOONAH	1,601,400	87,816	187,441	63.94%	107,865	1,405,719
HYDABURG	1,020,600	22,754	48,162	37.02%	16,047	981,799
IDITAROD	5,160,000	0	859,866	100.00%	773,879	4,386,121
JUNEAU	26,117,400	5,475,214	33,134	50.96%	15,197	20,626,989
KAKE	1,285,200	68,936	356,094	56.23%	180,208	1,036,056
KASHUNAMIUT	1,847,400	0	507,560	100.00%	456,804	1,390,596
KENAI	53,326,800	13,885,097	207,373	56.66%	105,748	39,335,955
KETCHIKAN	13,759,800	3,372,934	18,154	53.72%	8,777	10,378,089
KLAWOCK	1,443,600	44,880	326,867	36.79%	108,229	1,290,491
KODIAK	14,868,000	2,803,741	127,024	84.55%	96,659	11,967,600
KUSPUK	5,192,400	0	564,574	100.00%	508,117	4,684,283
LAKE AND PENINSULA	6,306,600	254,078	1,290,071	49.82%	578,442	5,474,080
LOWER KUSKOKWIM	33,333,600	0	6,188,711	100.00%	5,569,840	27,763,760
LOWER YUKON	13,850,400	0	4,379,902	100.00%	3,941,912	9,908,488
MAT-SU	50,024,400	7,029,865	482	41.26%	179	42,994,356
NEENAH	1,569,000	62,712	5,651	45.66%	2,322	1,503,966
NOME	5,494,800	551,504	36,583	90.71%	29,866	4,913,430
NORTH SLOPE	13,152,600	4,484,760	3,139,099	21.59%	609,958	8,057,882
NORTHWEST ARCTIC	16,464,000	1,549,772	3,832,969	100.00%	3,449,672	11,464,556
PELICAN	615,600	54,259	0	100.00%	0	561,341
PETERSBURG	3,739,200	674,482	20,990	70.10%	13,243	3,051,475
PRIIBILOF	1,877,400	0	513,012	100.00%	461,711	1,415,689
RAILBELT	3,054,000	0	44,770	100.00%	40,293	3,013,707
SITKA	8,287,200	1,853,520	231,785	61.61%	128,522	6,305,158
SKAGWAY	1,060,200	237,448	0	63.99%	0	822,752
SOUTHEAST	5,894,400	0	886,953	100.00%	798,258	5,096,142
SOUTHWEST	6,361,200	0	1,479,842	100.00%	1,331,858	5,029,342
ST. MARY'S	1,369,800	17,564	233,432	22.89%	48,089	1,304,147
TANANA	1,278,600	44,388	232,882	31.26%	65,519	1,168,693
TALASKA	2,289,000	613,644	7,420	100.00%	6,678	1,668,678
VALDEZ	4,167,000	1,453,830	37,044	42.15%	14,053	2,699,117
RANGELL	3,044,400	438,824	3,547	52.92%	1,689	2,603,887
AKUTAT	1,270,800	79,489	93,909	40.22%	33,993	1,157,318
YKON FLATS	5,326,800	0	597,684	100.00%	537,916	4,788,884
YKON/KOYUKUK	6,678,600	0	1,396,782	100.00%	1,257,104	5,421,496
YPIIT	4,460,400	0	1,062,287	100.00%	956,598	3,503,802
TOTALS	\$665,176,800	\$99,433,245	\$42,827,273		\$34,282,610	\$531,460,945
				STATE CORR. STUDY		\$5,362,500
				MT. EDGECLUMBE SCHOOL		\$1,529,984
				VALDEZ CONTRACT		\$600,000
				4 MILL PHASE-1W (SUBSIDY)		\$15,545
				PL81-874 PASS THRU		\$1,277,192
				ESTIMATED PRIOR YEAR ADJUSTMENTS		\$1,500,000
				TOTAL FOUNDATION COST AS OF 1/28/91		\$541,746,166

School Debt FY92

UPDATED 1/25/91

	100%	90%	80%	90%	80%	80%		ESTIMATED	FY92 GOVERNOR'S PROPOSAL	
	BOND SALES	BOND SALES	ESTIMATED	BOND SALES	BOND SALES	NEW BONDS	LESS	TOTAL DEBT	\$108,170,300	
	PRE 7/1/77	7/1/77 TO	CASH PAYMENT	1/1/82 TO	7/1/83 TO	ISSUES SOLD	CIG. TAX	RETIREMENT	LESS CIP OVERHEAD	COLUMN 17
		1/1/82		7/1/83	PRESENT	FY92	PAID IN	BY DISTRICT	\$107,770,300	LESS
11 SCHOOL DISTRICTS	2YR LAG	2YR LAG	2YR LAG	CURRENT PAY	CURRENT PAY	AID EST.	FY90	FOR FY92	ENTITLEMENT PRORATED AT	COLUMN 18
									83.55185272%	
13 ALEUTIANS EAST	\$0	\$0	\$4,636	\$0	\$0	\$66,938	(\$16,133) !	\$55,441	\$46,322	\$9,119
14 ANCHORAGE	\$7,705,136	\$1,416,582	\$3,227,179	\$11,809,143	\$8,328,522	\$1,164,208	(\$1,090,742) !	\$32,559,828	\$27,204,339	\$5,355,489
15 BRISTOL BAY	\$0	\$376,983	\$305,180	\$0	\$0	\$0	(\$12,983) !	\$669,180	\$559,112	\$110,068
16 CORDOVA	\$0	\$0	\$51,388	\$0	\$0	\$0	(\$18,003) !	\$33,385	\$27,894	\$5,491
17 FAIRBANKS	\$1,770,955	\$0	\$2,196,879	\$8,306,802	\$3,208,580	\$0	(\$375,877) !	\$15,107,339	\$12,622,462	\$2,484,877
18 GALENA	\$0	\$0	\$15,304	\$0	\$0	\$0	(\$10,117) !	\$5,187	\$4,334	\$853
19 HAINES	\$91,163	\$0	\$49,222	\$0	\$0	\$0	(\$16,189) !	\$124,196	\$103,768	\$20,428
20 JUNEAU	\$318,495	\$332,316	\$389,644	\$5,527,809	\$838,815	\$1,880,000	(\$134,697) !	\$9,152,382	\$7,646,985	\$1,505,397
21 KENAI	\$699,185	\$0	\$1,488,668	\$13,950,090	\$8,619,902	\$0	(\$236,875) !	\$24,520,970	\$20,487,725	\$4,033,245
22 KETCHIKAN	\$433,193	\$0	\$0	\$2,393,631	\$1,513,920	\$0	(\$75,556) !	\$4,265,188	\$3,563,643	\$701,545
23 KODIAK	\$1,412	\$0	\$63,587	\$1,085,441	\$1,096,000	\$0	(\$69,757) !	\$2,176,683	\$1,818,659	\$358,024
24 LAKE & PENINSULA	\$0	\$0	\$128,819	\$0	\$0	\$0	(\$16,016) !	\$112,803	\$94,249	\$18,554
25 MAT-SU	\$1,883,163	\$0	\$0	\$7,307,267	\$11,313,970	\$0	(\$242,437) !	\$20,261,963	\$16,929,245	\$3,332,718
26 MENANA	\$0	\$0	\$28,487	\$0	\$0	\$0	(\$11,463) !	\$17,024	\$14,224	\$2,800
27 NOME	\$0	\$0	\$299,534	\$120,570	\$607,315	\$0	(\$27,016) !	\$1,000,403	\$835,855	\$164,548
28 NORTH SLOPE	\$0	\$30,341	\$0	\$3,423,482	\$5,430,117	\$0	(\$40,696) !	\$8,843,244	\$7,388,694	\$1,454,550
29 PETERSBURG	\$285,200	\$0	\$394,033	\$280,802	\$212,474	\$0	(\$24,464) !	\$1,148,045	\$959,213	\$188,832
30 SITKA	\$362,637	\$0	\$0	\$0	\$1,843,433	\$0	(\$52,496) !	\$2,153,574	\$1,799,351	\$354,223
31 UNALASKA	\$0	\$237,705	\$109,760	\$0	\$1,058,888	\$0	(\$11,280) !	\$1,395,073	\$1,165,609	\$229,464
32 VALDEZ	\$1,040,588	\$1,568,475	\$0	\$315,214	\$0	\$1,531,118	(\$25,239) !	\$4,430,156	\$3,701,477	\$728,679
33 WRANGELL	\$0	\$124,585	\$0	\$850,013	\$0	\$0	(\$20,533) !	\$954,065	\$797,139	\$156,926
34										
35 TOTALS	\$14,591,127	\$4,086,987	\$8,752,320	\$55,370,264	\$44,071,936	\$4,642,264	(\$2,528,769) !	\$128,986,128	\$107,770,299	\$21,215,830
36										
37										
38 TOTAL BOND OUTLAYS	\$118,120,314									
39 PLUS: CASH PAYMENTS	\$8,752,320									
40										
41 SUB TOTAL	\$126,872,633									
42 NEW BONDS FY91 EST	\$4,642,264									
43										
44 SUB TOTAL	\$131,514,897									
45 LESS: CIG. TAX	(\$2,528,769)									
46										
47 EST. STATE AID-FY92	\$128,986,128									

THESE ENTITLEMENTS ARE SUBJECT TO ADJUSTMENTS BASED ON ACTUAL BOND PAYMENTS.

R/C
1/25/91

DEPARTMENT OF EDUCATION 92PROJ.XLS
PUPIL TRANSPORTATION
FY92 COST PROJECTION
PREPARED 01/28/91 Figures below are estimations only and are subject to change.

SCHOOL DISTRICT	PROJECTED FY91 FULL FUNDING	PROJECTED FY92 FULL FUNDING
ADAK	\$141,858.47	\$149,305.92
ALASKA GATEWAY	\$341,733.38	\$360,188.98
ALEUTIANS EAST	\$88,512.94	\$72,212.64
ANCHORAGE	\$8,066,644.42	\$8,501,189.22
ANNETTE ISLAND	\$8,487.71	\$8,924.97
BERING STRAIT	\$34,390.04	\$30,247.10
BRISTOL BAY	\$145,914.65	\$153,794.04
CHATHAM	\$6,801.81	\$8,958.31
COPPER RIVER	\$500,267.11	\$527,281.53
CORDOVA	\$45,274.75	\$47,719.59
DELTA/GREELEY	\$489,333.78	\$515,757.78
DILLINGHAM	\$211,708.77	\$223,138.94
FAIRBANKS	\$4,376,548.00	\$4,512,879.48
GALENA	\$30,645.38	\$32,300.23
HAINES	\$149,848.56	\$157,940.38
HOONAH	\$14,371.73	\$15,147.80
HYDABURG	\$3,378.34	\$3,558.68
IDITAROD	\$43,000.05	\$45,322.05
JUNEAU	\$1,028,480.05	\$1,084,017.97
KAKE	\$22,131.80	\$23,328.71
KENAI PENINSULA	\$2,604,004.17	\$2,744,820.40
KETCHIKAN	\$480,804.40	\$508,787.84
KODIAK	\$420,973.43	\$443,708.00
KUSPUK	\$78,017.33	\$82,230.27
LAKE & PENINSULA	\$43,953.10	\$48,328.57
LOWER KUSKOKWIM	\$243,730.29	\$258,811.73
LOWER YUKON	\$17,422.83	\$18,313.66
MAT-SU	\$5,100,000.00	\$5,375,400.00
NENANA	\$68,174.44	\$71,855.88
NOME	\$169,182.16	\$178,318.00
NORTH SLOPE	\$241,098.23	\$254,115.43
PELICAN	\$1,734.48	\$1,828.14
PETERSBURG	\$100,902.84	\$108,351.59
RAILBELT	\$183,884.39	\$204,143.35
SIKKA	\$381,822.30	\$402,229.90
SKAGWAY	\$4,837.91	\$5,099.16
SOUTHEAST ISLAND	\$115,855.83	\$122,112.04
SOUTHWEST REGION	\$28,182.92	\$27,598.80
TANANA	\$18,430.92	\$19,428.19
UNALASKA	\$108,849.25	\$112,619.11
VALDEZ	\$228,277.83	\$240,604.62
WRANGELL	\$50,594.23	\$53,328.32
YAKUTAT	\$51,275.83	\$54,044.72
YUKON FLATS	\$95,555.94	\$100,717.01
YUKON/KOYUKUK	\$44,883.55	\$47,307.28
GROWTH FACTOR (1)	\$260,000.00	\$263,500.00
SUBTOTAL	\$28,865,950.92	\$28,318,712.27
DRIVER TRAINING / INSPECTIONS	\$254,600.00	\$254,600.00
TOTAL	\$27,120,550.92	\$28,571,312.27

(1) Growth Factor is for potential rate increases for new contracts and for possible additional buses due to enrollment increases and population shifts.

NOTE: For all districts, 5.4% was added to FY91 projected reimbursement for actual COLA based on the 8/16/90 Anchorage CPI report.

Pupil

Transportation

Full FY91

vs.

Full FY92



NEA-ALASKA

AFFILIATED WITH THE NATIONAL EDUCATION ASSOCIATION

ANCHORAGE REGIONAL OFFICE

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ANCHORAGE, ALASKA 99503
(907) 274-0536

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JUNEAU, ALASKA 99801
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FAIRBANKS REGIONAL OFFICE

2118 CUSHMAN STREET
FAIRBANKS, ALASKA 99701
(907) 456-4435

January, 1991

EDUCATION FUNDING CRISIS IN ALASKA

We have not kept pace with the increasing needs and obligations we have in Alaska public education. While inflation alone has caused the elimination of critical programs and services for students the changing family structure and increased expectations of society generally have placed substantially heavier burdens and expectations on public education.

Each time a basic program or service is reduced or eliminated in public education there is the increased probability that some student will become "at risk" of dropping out of school before completion of high school. The "greater risk" for that student is the diminished or lost opportunity to be successful and achieve to his or her potential.

Moreover, we as a State, have an obligation to all of our students, "at risk" or not, to fully prepare them for survival and leadership in the radically different economic society that the next century will present. To impart to our students the new and different skills and abilities this impending *economic renaissance* demands, will require new and stronger financial support for the public schools in Alaska today.

The combination of the 1990 Cowper vetoes; \$9.7 million in the funding formula, \$1.2 million in pupil transportation, and \$12.9 million in debt service, together with the Hickel Administration's announced 5 percent cut to the funding formula for 91-92, send an ominous message about the health and welfare of public education in Alaska.

With the \$9.7 million veto and the unanticipated enrollment increases taken into consideration a supplemental appropriation of nearly \$21 million is needed for the current year, 1990-91. Such an appropriation does not solve the funding problems for public education in Alaska. It merely maintains a currently under-funded program.

Since the 1983 release of the *Nation At Risk* report public education has been scrutinized, analyzed, and, unfortunately, compromised by organizations, government, governmental agencies, and a myriad of interest groups from the private sector.

Every finding and credible conclusion about what is necessary to restore public education-- and to ensure that the quality of our public education programs and services is increased--speaks to the need for an increased financial commitment at local, state, and national levels.

Unfortunately, we in Alaska are also failing this test of the depth of our collective commitment to public education.

While public education does indeed represent a significant share of the operating budget in Alaska, as a percentage of the total budget it has steadily declined.

Historical Review

During Alaska's first year as a State, the appropriation for supporting public education was 44% of the total operating budget. Ten years later, 1970-71, the level of State support was at 35% of the total operating budget. Even though the early years of statehood were financially difficult

for Alaska, the level of State support for public education was strong. Since these times the level of State support for public education as a share of the total operating budget has steadily declined. During 1990-91 the total State share for K-12 public education is 17% of the operating budget, less than one-half of what it was in the first decade of statehood!

Even when local financial commitments are taken into consideration, the total Alaska level of spending for public education is appalling. Again, this has not always been the case. During its first decade as a State, 30% to 38% of all state and local operating expenditures went to public education; a figure which at that time was comparable to national averages. For 1987-88, the last year for which figures are available, Alaska now ranks last in the nation; at 22.8% of all state and local governmental expenditures for public education. (The national average in 1987-88 was 34.4%.) When added to the reality of the Permanent Fund Dividend Program this data is particularly depressing.

We have neither an income tax or a sales tax in Alaska. We are last in the nation in our combined state and local financial effort to support public education. The Permanent Fund Dividend Program returns to every major organized borough nearly three (3) times the amount of financial support that those citizens are willing to give public education at the local level. The most obvious conclusion is that public education is no longer a real funding priority in Alaska.

Additionally, since 1986, public education has suffered severe financial setbacks. Correlated with the drop in oil prices, State support for public education was severely cut back. Between the 1985-86 and 1986-87 school years the level of State support dropped by 15%. In 1987, the Governor led the move to "pass along" the States' \$25-30 million share of the cost of retirement contributions to local school districts, thus encumbering them with an additional financial burden.

During 1987-88 when the new funding formula was put in place the Instructional Unit value (the basic component of the formula which generates state funds for local school districts) was set at \$60,000--a level that was itself 8% lower than the rate of State support in the 1985-86 school year. It has not since been adjusted for inflation.

Using the US-Urban Consumers Consumer Price Index (CPI), in constant dollars, the 1987-88 \$60,000 Instructional Unit value is worth only \$52,361 in purchasing power for school districts during the 1990-91 school year. Using CPI projections the Instructional Unit value would have to be increased to \$74,550 for 1991-92 to have the same purchasing power that \$60,000 did in 1987-88.

During the past decade, 79-80 to 89-90, Alaska has shown the largest percent increase among the fifty states in the number of high school graduates at a 16.1% increase. For the same period the change in the average salary of instructional staff in Alaska's public school has been -2.8%, constant dollars when adjusted for inflation. In this category, Alaska ranks 50th among the fifty states!

Who Has Paid the Price?

In the last five years, school district employees, through cuts and freezes in compensation and benefits, have subsidized the cost of public education in Alaska. Their workloads and responsibilities have increased and they subsidize public education with their property taxes as do other Alaskans. Additionally, teachers average nearly \$300 per year in out of pocket personal expenses for classroom supplies, materials, and equipment because of cutbacks in local school budgets.

Using our *Profiles in Excellence* document NEA-Alaska is in the process of assessing the quality of programs and services in every school district in Alaska. With the assessment less than 1/4 complete some of the more glaring concerns, problems, and needs identified so far include: specific programs on parenting skills, more parent involvement in and support for their child's educational program, significantly increasing class sizes, inadequate supplies/materials/textbooks, the absence of academic and vocational counseling, no meaningful programs for "at risk" students, classroom teachers with increasing numbers of different preparations, reduction and elimination of

critical programs, reduced library services, inadequate in-servicing and staff development programs, limited planning time, more clerical responsibilities and less teaching time.

At the same time, we, as a society, are saying that we want our public schools to do more in the area of substance abuse education, for "at risk" students, for special education students, for children with Fetal Alcohol Syndrome, teenage pregnancy prevention, suicide prevention, and the prevention of child abuse. Our continuing failure to deal with the increasing class size and work load problem only serves to exacerbate these and other concerns unique to public education.

The task of preparing our students for today and tomorrow is expensive, but the cost of their not being prepared is far greater. Each year students enter public schools with greater needs, thus making the challenges for all of us greater. Our public schools, teachers, and other school district employees must continue to be successful in their efforts. By limiting the necessary resources, we are limiting the success potential for everyone, students in particular. Public education costs a lot! However, if we don't spend our money on our public schools we will be forced to spend even more on welfare, prisons, and other social services. Every one of our youth must have the opportunity to realize their full productive potential.

An equitable funding formula which requires an increased local effort and takes into consideration pupil transportation, community schools, debt service, and maintenance and capital costs is critically needed.

The essential components are:

Full funding with provision for enrollment increases and the probable need for supplemental appropriations to cover unanticipated needs

An Early funding decision so that school districts may plan more realistically and so that the continuity of programs and services is enhanced

Forward funding to establish that public education really is the priority in Alaska

Annually inflation proof the Instructional Unit value, in a manner similar to the current annual inflation proofing of the Permanent Fund Program, so that essential programs and services are not lost simply because of inflation

Restore some level of the funding which has been lost to inflation and other cuts during the past five years either through incentive grants, supplemental categorical funding or basic increases in the formula

Adjust the formula to more accurately reflect the needs of the small single site districts which have been disadvantaged since 1987-88, not by year to year *political decisions* as has been the recent practice, but through genuine revision to the funding formula which makes all districts *equal partners* in access to the critical financial resources.

It is time to re-establish funding of public education in Alaska as the number one priority at both the state and local levels. Clearly, it will cost more than we are presently spending. The alternative is not a choice. Our needs and the needs of the 108,000+ students currently enrolled in our public schools are far too important to all of us.

m3jan1

A REVIEW

THE ALASKA SCHOOL FOUNDATION FUNDING PROGRAM

JANUARY 1991

ALASKA'S PUBLIC SCHOOL FOUNDATION PROGRAM, AS 14.17 enables the state to meet fiscal equalization criteria outlined in the federal PL-874 law, commonly known as the "disparity test." Alaska must meet the guidelines in order to utilize approximately \$70 million in PL-874 funds within the state foundation plan as general revenues.

PL 81-874 DISPARITY TEST - The federal PL-874 disparity test measures the disparity in local school district expenditures. The test takes into consideration designated state and local revenues. Under guidelines of the disparity test, the range of revenues may not vary more than 25 percent between the school district that raises the lowest amount of revenues per instructional unit and the school district that raises the greatest amount. Since federal regulations allow states to eliminate five percent of the

students at the top of the scale and five percent at the bottom, Alaska eliminates both of its oil rich school districts, Valdez and North Slope Borough, which contribute considerably more than 25 percent beyond the lowest amount. Since REAAs are not authorized to raise local taxes, five percent of the students at the bottom of the scale can be from any REAA. The disparity test uses \$60,000 per instructional unit as the base.

THE FOUNDATION PROGRAM is based on the "instructional unit" method of funding.

THE DEFINITIONS printed on page 2, when used with the two mathematical formulas below and the numerical data on page 4, provide for understanding the foundation law.



THE FORMULA USED TO CALCULATE BASIC NEED:

$$\text{BASIC NEED} = (\text{INSTRUCTIONAL UNITS}) \times (\text{AREA COST DIFFERENTIAL}) \times (\$60,000)$$

THE FORMULA USED TO CALCULATE STATE FOUNDATION AID:

$$\text{STATE FOUNDATION AID} = (\text{BASIC NEED}) - (\text{LOCAL EFFORT}) - (90\% \text{ ELIGIBLE PL-874})$$

OTHER ISSUES:

REDUCED LOCAL SHARE - A reduction of the assessed value of property in most municipal school districts has reduced the value of the required local share of basic need in the FY 91 foundation formula. Under the foundation formula, the state must make up the difference between this reduced local share and basic need. This increases the projected full entitlement cost of the foundation formula by \$7,695,249 for FY 91.

DECLINING ENROLLMENT - The law contains language that protects districts from losing more than 10 percent of the prior year's K-12 instructional units.

CENTRALIZED CORRESPONDENCE STUDY - The law provides a formula for computing funds for the state Centralized Correspondence Study program. Instructional units are computed under the same formula used by elementary schools with more than 200 students and multiplied by 0.65.

GATHERING/ REPORTING STUDENT DATA - The statute requires districts to report to the Department of Education by October 15 of each school Year an estimate of its student population for the next school year. The Department of Education will use the estimates to determine the amount of state foundation aid to seek from the Legislature for the following school year.

FUND BALANCE LIMITATION - The law prohibits districts from accumulating an unreserved fund balance of more than 10 percent of their operating expenditures for the year. The Department of Education must deduct the amount exceeding 10 percent from a school district's succeeding year's foundation entitlement.

FULL AND TRUE VALUE - The Department of Community and Regional Affairs will determine the full value of the taxable real and personal property in each city and borough school district for the purpose of calculating a school district's required local effort.

DISTRIBUTION PROCEDURES - The Department of Education will make payment of foundation aid through monthly payments to school districts. The payments for the first nine months of each fiscal year will be based on actual student counts for the prior school year. Payments for the last three months will be adjusted by actual year student counts. Any overpayments or underpayments made during the first nine months will be adjusted in the final three payments of the fiscal year. The first counting period will be during a 20-day period ending on the fourth Friday in each October. A subsequent reporting period, a 20-day period ending the second Friday of each February, may be used to calculate foundation funding, if the February counting period yields more instructional units.



ALASKA ASSOCIATION OF ELEMENTARY SCHOOL PRINCIPALS
ALASKA ASSOCIATION OF SECONDARY SCHOOL PRINCIPALS
ALASKA ASSOCIATION OF SCHOOL ADMINISTRATORS

• ALASKA COUNCIL OF SCHOOL ADMINISTRATORS •
326 Fourth St., Suite 408 Juneau, Alaska 99801 586-9702

POSITION STATEMENT

HOUSE BILL 5

"AN ACT MAKING APPROPRIATIONS TO THE DEPARTMENT OF EDUCATION FOR K-12 SUPPORT AND SCHOOL CONSTRUCTION DEBT RETIREMENT; AND PROVIDING FOR AN EFFECTIVE DATE."

The Alaska Council of School Administrators supports full entitlement for education under the language of HB5.

We believe and recognize it is the responsibility of the State of Alaska as stated in the Alaska Constitution to provide education to all children of Alaska. This can only be accomplished through fully funding the entitlement programs stated in HB 5.

We remember the severe reduction in school funding 5 years ago and the continued responsibility placed on local districts to increase funding to keep up with inflation, increase costs of retirement and health insurance costs as well as costs this past year for fuel.

We recognize there are deficiencies within the current formula which are being addressed by other legislation and encourage this legislature to continue examining them and providing solutions.

Based on information collected to date regarding the future levels of funding for education, full entitlement is the minimum districts need to bring stability and continuity to their educational programs.

The Alaska Council of School Administrators wishes to express our appreciation to the sponsors of HB 5 for recognizing the continued need for full appropriation of funding for the education programs in Alaska.

AMENDMENT

BY BARNES

TO: HB 5

Page 1, line 1:

Delete "and" after support

Insert ", " after support

Page 1, line 2:

Insert ", and school construction account" after debt
retirement"

January 30, 1990

TO: Randy

FROM: Jerry

RE: HB 5 Early and Full Funding for Education

Here is a program by program comparison of funding under HB 5 to FY 91 funding and Hickel's proposed budget.

	<u>FY 91</u>	GOV. <u>FY 92</u>	<u>CS HB 5</u>
Foundation Program	\$505,424.1	\$495,266.9	\$541,746.2
Student Lunch	15,000.0	15,000.0	15,000.0
Cigarette tax	2,600.0	2,500.0	2,500.0
Tuition Students	13,878.5	13,142.9	13,878.5
Boarding Home Grants	230.0	230.0	230.0
Youth in Detention	800.0	757.6	800.0
Schools for the Handicap	2,872.6	2,725.7	3,077.5
Pupil Transportation	24,737.0	22,931.2	28,572.0
School Debt	116,688.6	108,170.3	128,986.1
Totals	<u>\$682,231.8</u>	<u>\$637,793.4</u>	<u>\$734,790.3</u>

HB 5 would mean an increase of \$52 million over FY 91 and a \$97 million increase over the amount that Governor Hickel has proposed for FY 92.

Alaska State Legislature

Mike Navarre
Co-Chair
(907) 465-3706

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Eileen MacLean
Co-Chair
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P.O. Box 290
Barrow, Alaska 99723
(907) 852-7111

House of Representatives Committee on Finance P.O. Box V, Juneau, Alaska 99811

MEMORANDUM

TO: House Finance Members

FROM: Representative Eileen P. MacLean *Eileen P. MacLean*
Co-Chair House Finance Committee

DATE: January 30, 1991

SUBJ: House Bill 5

I am not able to attend today's House Finance meeting at which House Bill 5, "An act making appropriations to the Department of Education for K - 12 support and school construction debt retirement; and providing for an effective date", is scheduled.

However, I would like the record to reflect that I am in full support of both early and full funding of our educational responsibilities.

As a co-sponsor of this bill I ask members to act quickly to move this bill out of committee.

Thank you.

HB5

SENATE FINANCE COMMITTEE REPORT

DATE: 2/8/91

FURTHER:

DATE TURNED INTO OFFICE: 3-20-91

The Finance Committee considered CS FOR HOUSE BILL NO. 5 (FINANCE

"An Act making an appropriation to the Department of Education for K - 12 support and education program support; and providing for an effective date."

and recommended:

- replace with _____ CS _____
- or adopt _____ CS _____
- attached amendment(s)
- _____ letter of intent adopted
- same title
- new title
- technical title change (HB only)

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S): Dept/Date:

fiscal note(s) _____

zero fiscal note(s) _____

APPROVES PREVIOUS: Dept/Date:

fiscal note(s) _____

zero fiscal note(s) _____

appropriation-no fiscal note

SIGNING DO PASS:

[Handwritten signatures]

OTHER RECOMMENDATIONS:

1. _____ 2. *[Handwritten signature]*
Co-Chairs: Signatures and Recommendations

CS FOR HOUSE BILL NO. 5 (FINANCE)
 IN THE LEGISLATURE OF THE STATE OF ALASKA
 SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 2/5/91
 Referred: Today's Calendar
 Funding Information: General Fund \$560,681,200
 Other Funds 45,723,000
 \$606,404,200

Sponsor(s): REPRESENTATIVES ELLIS, Bruckman, Carney, Parnell, B.Davis, Ulmer, MacLean, Boyer, Kubina, Grussendorf, Donley, Mackie, Navarre

A BILL

FOR AN ACT ENTITLED

1 "An Act making an appropriation to the Department of Education for K - 12 support
 2 and education program support; and providing for an effective date."

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

4 * Section 1. The sum of \$606,404,200 is appropriated from the general fund and from other funds
 5 in the amount listed to the Department of Education for the purposes expressed and allocated in the
 6 amounts listed for operating expenditures for the fiscal year ending June 30, 1992:

7	FUND SOURCE	AMOUNT
8	General fund	\$560,681,200
9	Public school trust fund (AS 37.14.110)	7,499,000
10	School fund (AS 43.50.140)	2,500,000
11	P.L. 81-874	20,624,000
12	Federal receipts other than	
13	P.L. 81-874	15,100,000
14	PURPOSE	ALLOCATION AMOUNT

1

AMENDMENT

TO: CS HB 5 (FIN)

BY: ADAMS

AFTER EXISTING SECTION 1, ADD A NEW SECTION 2 AS FOLLOWS AND
RENUMBER REMAINING SECTIONS ACCORDINGLY.

*Sec. 2. The sum of \$128,986,100 is appropriated from the
general fund to the Department of Education, local school debt
retirement program, for the fiscal year ending June 30, 1992.

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

CS FOR HOUSE BILL NO. 5 (FINANCE)

IN THE LEGISLATURE OF THE STATE OF ALASKA
 SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 2/5/91

Referred: 'Today's' Calendar

Funding Information:	General Fund	\$560,681,200
	Other Funds	<u>45,723,000</u>
		\$606,404,200

Sponsor(s): REPRESENTATIVES ELLIS, Bruckman, Carney, Parnell, B.Davis, Ulmer, MacLean, Boyer, Kubina, Grussendorf, Donley, Mackie, Navarre

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10	School fund (AS 43.50.140)	2,500,000
11	P.L. 81-874	20,624,000
12	Federal receipts other than	
13	P.L. 81-874	15,100,000
14	PURPOSE	ALLOCATION AMOUNT

1	Foundation program	\$541,746,200
2	Student lunch program	15,000,000
3	Cigarette tax distribution	2,500,000
4	Tuition students	13,878,500
5	Boarding home grants	230,000
6	Youth in detention	800,000
7	Schools for the handicapped	3,077,500
8	Pupil transportation	28,572,000
9	Community schools	600,000

10 * Sec. 2. This Act takes effect July 1, 1991.

1

AMENDMENT

TO: CS HB 5 (FIN)

BY: ADAMS

AFTER EXISTING SECTION 1, ADD A NEW SECTION 2 AS FOLLOWS AND
RENUMBER REMAINING SECTIONS ACCORDINGLY.

*Sec. 2. The sum of \$128,986,100 is appropriated from the
general fund to the Department of Education, local school debt
retirement program, for the fiscal year ending June 30, 1992.

2

AMENDMENT

TO: CS HB 5 (FIN)

BY: ADAMS

AFTER EXISTING SECTION 1, ADD A NEW SECTION 2 AS FOLLOWS AND RENUMBER REMAINING SECTIONS ACCORDINGLY.

*Sec. 2. The sum of \$51,639,300 is appropriated from the general fund to the Department of Education, school construction grant fund (AS 14.11.005), for school construction projects.

*Sec. 3. The appropriation made in sec. 2 of this Act is for capital projects and lapses under AS 37.25.020.

X STEVE HALE

SCHOOL DISTRICT WITH HIGH-ENRICHMENT

THAT NEEDS to be in priority #1

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

P.O. Box Y, Juneau, Alaska 99811
(907) 465-3867 or 465-2450
FAX (907) 465-2029

Deliveries to: 240 Main Street
Court Plaza, Room 500
Mail Stop 3101

MEMORANDUM

January 31, 1991

SUBJECT: Title of HB 5

TO: Senator Al Adams

FROM: George Utermohle *GU*
Legislative Counsel

Marla Berg, of your staff, has asked whether the title of HB 5 is broad enough to include capital appropriations for school facilities. The title of the current version of HB 5 (CSHB 5 (Finance)) is "An Act making appropriations to the Department of Education for K - 12 support, education program support, and school construction debt retirement; and providing for an effective date."

The term "K - 12 support" means support for education programs at the kindergarten, primary, and secondary levels. Any appropriation that would support education programs at these levels would fit within "K - 12 support." A capital appropriation for construction of kindergarten, primary, or secondary school facilities would be supportive of education programs at those levels and thus fall within "K - 12 support."

Also, the term "education program support" means support for education programs in general. "Education program support" is an even broader term than "K - 12 support" and would include virtually any appropriation, operating or capital, that would be supportive of educational programs. Thus capital appropriations for school facilities would be permitted under the term "education program support."

The importance of the title of a bill arises from article II, sec. 13 of the Constitution of the State of Alaska which requires that "[t]he subject of each bill shall be expressed in the title." The purpose of this requirement is to ensure that members of the legislature and the public are given reasonable notice of the bill's content or scope so that provisions not consistent with the proclaimed subject of the bill are not enacted surreptitiously. Sutherland, *Statutory Construction*, sec. 18.02. The underlying purpose is to guard against inadvertence, stealth, and fraud in legislation. Suber v. Alaska State Bdnd Comm., 414 P.2d 546, 557 (Alaska 1966).

Senator Al Adams
January 31, 1991
Page 2

In determining whether a bill title adequately expresses the subject of the bill, "the court will disregard mere verbal inaccuracies, resolve doubts in favor of validity, and hold that in order to warrant the setting aside of enactments for failure to comply, the violation must be substantial and plain." Id. Matters fairly incidental to the general subject expressed in the title may properly be included in a bill without requiring special mention in the title. Id.

Given the broad scope of the terms contained in the title of CSHB 5 (Finance) and the broad latitude allowed by the court in reviewing bill titles, it is my conclusion that capital appropriations for schools facilities could be validly included in the bill so long as the appropriations are made to the Department of Education.

For the purposes of Uniform Rules 24(c), 35, and 41(b), the title of CSHB 5 (Finance) would not have to be changed in order for the second house to add capital appropriations for school facilities.

If I may be of further assistance, please advise.

GU:gc
91-047.glc

Generated December 14, 1990
at 10:30 AM

State of Alaska
Department of Education

Page: 1

Capital Improvement Program Budget Request
for Fiscal Year 1992

<u>Priority</u>	<u>District Name</u>	<u>Priority Type</u>	<u>Amount</u>	<u>Project Title</u>
1	Iditarod Area Schools	1	765.0	McGrath School Reroof
2	Lower Kuskokwim Schools	1	4,288.0	Chefornak Elementary School Addition
3	Lower Yukon Schools	1	1,575.0	Emmonak Elementary School Replacement
4	Ketchikan Gateway Schools	1	10,876.3	Ketchikan High: Phase II
5	Nome City Schools	1	2,540.0	Nome-Beltz Life Safety Upgrade/Asbestos
6	Hydalguro City Schools	1	1,213.0	Elementary Roof Replacement and Remodel
7	Lower Kuskokwim Schools	1	3,820.5	Nunapitchuk Elementary School
8	Yukon Flats Schools	1	1,100.0	Ft Yukon School Upgrade
9	Southeast Island Schools	1	976.0	Gildersleeve Floating School Replacement
10	Fairbanks North Star Schools	1	431.1	Lathrop Health Life Safety Renovations
11	Lower Kuskokwim Schools	1	7,405.0	Kasigluk - Akiuk School Replacement
12	Yukon/Koyukuk Schools	1	1,484.6	Koyukuk Life/Safety Corrections
13	Hoonah City Schools	1	1,475.8	School-wide Sprinkler System/Upgrd-Ph II
14	Pribilof Schools	1	809.0	St. Paul Roof Replacement
15	North Slope Schools	1	100.0	Point Hope Entryways and Roof Renovation
16	Lake & Peninsula Schools	1	1,600.0	Chignik Bay School
17	Kuspuk Schools	1	380.0	Sleetmute: Foundation & Roof Repair
18	Alaska Gateway Schools	1	10,800.0	Tok School

SFC Recommended to
Rules
4/23/91

AMENDMENT

To: CS HB 5 (Finance)

by: Senate Finance

Page 1 line 8 amend to read as follows:

FUND SOURCE	AMOUNT
General Fund	\$553,462,800 [560,681,200]
<u>GF/Mental Health Trust Income</u>	
<u>Account</u>	<u>7,218,400</u>

NOTE: THIS AMENDMENT IS NECESSARY TO CONFORM TO THE MENTAL HEALTH BASE FUNDING RECOMMENDATIONS. CS HB 5 (FINANCE) IS CURRENTLY IN THE SENATE RULES COMMITTEE.

MENTAL HEALTH TRUST INCOME ACCOUNT FUNDS WOULD BE ALLOCATED AS FOLLOWS:

FOUNDATION FORMULA (SPECIAL EDUCATION)	5,425,200
SCHOOLS FOR THE HANDICAPPED	1,793,200



Official Business

Alaska State Legislature

Senate

Committee on Finance

Pouch V
State Capitol
Juneau, Alaska 99811

April 30, 1991

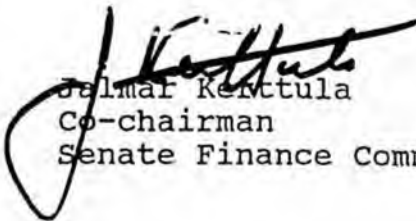
The Honorable Fred Zharoff
Chairman
Senate Rules Committee
Capitol Building, Room 121
Juneau, Alaska 99811

Re: Amendment to CSHB 5 (Finance)

Dear Senator Zharoff:

During April 23, 1991, Finance Committee discussion of mental health funding within the FY 92 budget, the attached Amendment was reviewed and recommended to the Rules Committee. This correspondence is intended to provide formal transmittal of the Amendment which was earlier informally furnished to your staff on the date the recommendation was made.

Sincerely,


Jalmar Kenttula
Co-chairman
Senate Finance Committee

Enclosure