

ALASKA LEGISLATURE

1520

HOUSE and SENATE FINANCE COMMITTEE FILES, 1995-1996

1 the person or the person's spouse or children, or a combination of them, holds a
2 controlling interest.

3 * Sec. 62. AS 39.50.070 is amended to read:

4 Sec. 39.50.070. FAILURE TO REPORT BY CERTAIN STATE
5 EMPLOYEES [DEPARTMENT, DIVISION, OR DEPUTY DEPARTMENT
6 HEADS]. A person hired or appointed as the head or deputy head of, or director of
7 a division within, a department in the executive branch or another state employee
8 subject to this chapter who refuses or fails to file a report of financial interests
9 required under this chapter when due may not hold office, and the person's name may
10 not be submitted to the legislature for confirmation, until the person complies. The
11 person may not be confirmed, hired, or appointed, and the person forfeits and may not
12 be paid any salary, per diem, or travel expenses, until the person complies. If, after
13 installation as the head or deputy head of, or director of a division within, a
14 department, or, for other state employees, after beginning employment in the
15 position subject to this chapter, the person refuses or fails to file the required
16 statement when due, the person is guilty of a misdemeanor and upon conviction is
17 punishable by a fine of not less than \$100 nor more than \$1,000 and shall be removed
18 from office if compliance is not made within 30 days after the due date of the report.

19 * Sec. 63. AS 39.50.080 is amended to read:

20 Sec. 39.50.080. FAILURE TO REPORT BY A COMMISSION OR BOARD
21 CHAIR [CHAIRMAN] OR MEMBER. A person hired or appointed as a
22 commissioner, chair, [CHAIRMAN] or member of a state commission or board
23 specified in AS 39.50.200(b), including the executive director of the Alaska
24 Tourism Marketing Council, who fails to file a report of financial interests required
25 under this chapter when due may not hold office, and the person's name may not be
26 submitted to the legislature until the person complies. The person may not be
27 confirmed, and the person forfeits and may not be paid any salary, per diem or travel
28 expenses, until the person complies. If, after being seated as commissioner, chair,
29 [CHAIRMAN] or member of the [SUCH A] commission or board the person refuses
30 or fails to file the required statement when due, the person is guilty of a misdemeanor
31 and upon conviction is punishable by a fine of not less than \$100 nor more than

1 \$1,000 and shall be removed from office if compliance is not made within 30 days
2 after the due date.

3 * Sec. 64. AS 39.50.200(a)(8) is amended to read:

4 (8) "public official" means a judicial officer, the governor, the
5 lieutenant governor, a person hired or appointed as the head or deputy head of [, OR
6 DIRECTOR OF A DIVISION,] a department in the executive branch or as the
7 director of a division in a department in the executive branch. [AN ASSISTANT
8 TO THE GOVERNOR,] chair or member of a state commission or board, [STATE
9 INVESTMENT OFFICERS AND THE STATE COMPTROLLER IN THE
10 DEPARTMENT OF REVENUE,] the executive director of the Alaska Tourism
11 Marketing Council, another state employee subject to this chapter, and each
12 appointed or elected municipal officer;

13 * Sec. 65. AS 39.50.200(a) is amended by adding a new paragraph to read:

14 (10) "another state employee subject to this chapter" means a state
15 employee who is employed in a position in the executive branch of state government
16 in the exempt or partially exempt service and who is compensated at Range 21 or
17 above on the state salary schedule under AS 39.27.011 or at more than \$4,200 per
18 month, an assistant to the governor, an assistant to the lieutenant governor, a state
19 investment officer, and the state comptroller in the Department of Revenue, but does
20 not include a state officer or employee who is otherwise included in the definition of
21 "public official" under this section, and does not include an employee who is a
22 member of a collective bargaining unit.

23 * Sec. 66. AS 39.52.010(a) is amended to read

24 (a) It is declared that

25 (1) [THAT] high moral and ethical standards among public officers in
26 the executive branch are essential to assure the trust, respect, and confidence of the
27 people of this state; [TO THE CONDUCT OF FREE GOVERNMENT, AND]

28 (2) [THAT THE LEGISLATURE BELIEVES THAT] a code of ethics
29 for the guidance of public officers will

30 (A) discourage those officers from acting upon personal or
31 financial interests in the performance of their public responsibilities;

1 (B) [, WILL.] improve standards of public service; and

2 (C) [, AND WILL.] promote and strengthen the faith and
3 confidence of the people of this state in their public officers;

4 (3) [~~IT IS FURTHER DECLARED THAT~~] holding public office or
5 employment is a public trust and that as one safeguard of that trust, the people require
6 public officers to adhere to a code of ethics;

7 (4) a fair and open government requires that executive branch
8 public officers conduct the public's business in a manner that preserves the
9 integrity of the governmental process and avoids conflicts of interest or even
10 appearances of conflicts of interest;

11 (5) in order for the rules governing conduct to be respected both
12 during and after leaving public service, the code of ethics must be administered
13 fairly without bias or favoritism;

14 (6) no code of conduct, however comprehensive, can anticipate all
15 situations in which violations may occur nor can it prescribe behaviors that are
16 appropriate to every situation; in addition, laws and regulations regarding ethical
17 responsibilities cannot legislate morality, eradicate corruption, or eliminate bad
18 judgment; and

19 (7) compliance with a code of ethics is an individual responsibility;
20 thus all who serve the state have a solemn responsibility to avoid improper
21 conduct and prevent improper behavior by colleagues and subordinates

22 * Sec. 67. AS 39.52.110(c) is amended to read:

23 (c) Designated [THE ATTORNEY GENERAL, DESIGNATED] supervisors,
24 hearing officers, and the personnel board must be guided by this section when issuing
25 opinions and reaching decisions.

26 * Sec. 68. AS 39.52.120(b) is amended to read

27 (b) A public officer may not

28 (1) seek other employment or contracts through the use or attempted
29 use of official position.

30 (2) accept, receive, or solicit compensation for the performance of
31 official duties or responsibilities from a person other than the state. this paragraph

1 may not be construed to prohibit the governor or the lieutenant governor from
2 the lawful solicitation for and acceptance of campaign contributions or a public
3 officer from the acceptance of a lawful gift, other than a campaign contribution,
4 under AS 39.52.130;

5 (3) use state time, property, equipment, or other facilities to benefit
6 personal or financial interests;

7 (4) take or withhold official action in order to affect a matter in which
8 the public officer has a personal or financial interest; or

9 (5) attempt to benefit a personal or financial interest through coercion
10 of a subordinate.

11 * Sec. 69. AS 39.52 is amended by adding a new section to read:

12 Sec. 39.52.125. MISUSE OF OFFICIAL POSITION BY STATE OFFICIALS.

13 (a) In addition to the prohibitions under AS 39.52.120, a state official may not

14 (1) take or withhold official action or exert official influence that could
15 substantially benefit or harm the financial interest of a person with whom the state
16 official is negotiating for employment;

17 (2) knowingly seek, accept, use, allocate, grant, or award public funds
18 for a purpose other than that approved by law, or make a false statement in connection
19 with a claim, request, or application for compensation, reimbursement, or travel
20 allowances from public funds;

21 (3) require another public officer to perform services for the private
22 benefit of the state official at any time, or allow a public officer to perform services
23 for the private benefit of the state official on government time; or

24 (4) use or authorize the use of state funds, facilities, equipment,
25 services, or another government asset or resource for the purpose of political fund
26 raising or campaigning;

27 (b) Except for the governor and the lieutenant governor, a state official may
28 not on government time assist in political party or candidate activities, campaigning,
29 or fund raising. A state official, including the governor and the lieutenant governor,
30 may not require another public officer to perform an act in violation of this subsection.

31 (c) Unless approved by the personnel board, during a campaign period for an

1 election in which the state official is a candidate, a state official may not use or permit
2 another to use state funds to print or distribute a political mass mailing to individuals
3 eligible to vote for the candidate. In this subsection,

4 (1) a "campaign period" is the period that

5 (A) begins 90 days before an election to the board of an electric
6 or telephone cooperative organized under AS 10.25, a municipal election, or
7 a primary election or that begins on the date of the governor's proclamation
8 calling a special election; and

9 (B) ends the day after the cooperative election, municipal
10 election, or the general or special election;

11 (2) a mass mailing is considered to be political if it is from or about

12 a

13 (A) state official who is a candidate for election to a federal,
14 state, or municipal elective office or to the board of a telephone or electric
15 cooperative;

16 (B) another person who is a candidate for election to a federal,
17 state, or municipal elective office or to the board of a telephone or electric
18 cooperative.

19 (d) A state official, or another person on behalf of the official, or a campaign
20 committee of the official, may not distribute or post campaign literature, placards,
21 posters, fund-raising notices, or other communications intended to influence the
22 election of a candidate in an election in public areas in a facility ordinarily used to
23 conduct state government business.

24 (e) A state official may not directly, or by authorizing another to act on the
25 official's behalf,

26 (1) agree to, threaten to, or state or imply that the official will take or
27 withhold an official action as a result of a person's decision to provide or not provide
28 a political contribution, donate or not donate to a cause favored by the official, or
29 provide or not provide a thing of value; or

30 (2) state or imply that the official will perform or refrain from
31 performing a lawful governmental service as a result of a person's decision to provide

1 or not provide a political contribution, donate or not donate to a cause favored by the
2 official or provide or not provide a thing of value.

3 (f) A state official may serve on a board of an organization, including a
4 governmental entity, that regularly has a substantial interest in the official actions of
5 the official, if the official discloses the board membership to the personnel board.

6 (g) In this section, when determining whether a state official is considered to
7 be performing a task on government time, the personnel board shall consider the
8 official's work schedule as set by the official's immediate supervisor, if any. An
9 official other than the governor and lieutenant governor who engages in political
10 campaign activities other than incidental campaign activities as described in this
11 subsection during the work day shall take leave for the period of campaigning.
12 Political campaign activities while on government time are permissible if the activities
13 are part of the normal governmental duties of the official, including answering
14 telephone calls and handling of incoming correspondence.

15 * Sec. 70. AS 39.52.130(c) is amended to read:

16 (c) In accordance with AS 39.52.240, a designated supervisor or a state
17 official may request guidance from the personnel board [ATTORNEY GENERAL]
18 concerning whether acceptance of a particular gift is prohibited.

19 * Sec. 71. AS 39.52.130 is amended by adding new subsections to read:

20 (e) In addition to the requirements of (a) and (b) of this section, and except
21 as provided in (f) - (n) of this section, a state official may not solicit, accept, or
22 receive, directly or indirectly, a gift worth \$250 or more, whether in the form of
23 money, service, loan, travel, entertainment, hospitality, employment, promise, or in any
24 other form, or gifts from the same person worth less than \$250 that in a calendar year
25 aggregate to \$250 or more in value. Except for food or beverage for immediate
26 consumption, a state official may not solicit, accept, or receive during a legislative
27 session a gift with any monetary value from a lobbyist or a person acting on behalf
28 of a lobbyist.

29 (f) A state official who accepts a gift under (g)(4) of this section shall disclose
30 the gift if it has a value in excess of \$250, including the name and occupation of the
31 giver and a description of the gift and its approximate value, to the personnel board

1 within 30 days after the date of its receipt. Except as provided in (j) of this section,
2 a gift under (g)(6) of this section that has a value of \$250 or more shall be disclosed
3 to the personnel board annually on or before February 15 of the following calendar
4 year; the disclosure must include only a description of the gift and the identity of the
5 donor. The personnel board shall maintain a public record of the disclosures received
6 of gifts under (g)(4) of this section. Disclosures relating to gifts under (g)(6) of this
7 section shall be maintained but are confidential and may only be used by the attorney
8 general or the personnel board and its employees and contractors in the investigation
9 of a possible violation of this section or in a proceeding under AS 39.52.310 -
10 39.52.390. If the disclosures become part of the record of a proceeding under
11 AS 39.52.310 - 39.52.390, the confidentiality provisions in AS 39.52.340 apply to the
12 disclosures. The personnel board shall forward disclosures it receives from a state
13 official concerning gifts under (g)(3) of this section to the Alaska Public Offices
14 Commission.

15 (g) Notwithstanding (e) of this section, it is not a violation of this section for
16 a state official to accept

17 (1) hospitality, other than hospitality described in (4) of this subsection

18 (A) with incidental transportation at the residence of a person;
19 however, a vacation home located outside the state is not considered a
20 residence for the purposes of this subparagraph; or

21 (B) at a social event or meal;

22 (2) discounts that are available

23 (A) generally to the public or to a large class of persons to
24 which the person belongs; or

25 (B) when on state business;

26 (3) food or foodstuffs indigenous to the state that are shared generally
27 as a cultural or social norm;

28 (4) travel and hospitality primarily for the purpose of obtaining
29 information on matters of governmental concern;

30 (5) gifts from the immediate family of the person; or

31 (6) gifts that are not connected with the recipient's governmental status

1 (h) Notwithstanding (c) of this section, a state official may accept a gift of
2 property worth \$250 or more, other than money, from a foreign government or from
3 the government of the United States or another state or from an official of a foreign
4 government or of the government of the United States or another state if the person
5 accepts the gift on behalf of the state. The person shall, within 60 days after receiving
6 the gift, deliver the gift to the Office of the Governor, which shall determine the
7 appropriate disposition of the gift.

8 (i) Notwithstanding (c) of this section, a state official may solicit, accept, or
9 receive a gift on behalf of a recognized, nonpolitical charitable organization in
10 accordance with guidelines adopted by the personnel board.

11 (j) A state official who receives an inheritance from a person other than a
12 family member shall disclose the fact of the receipt of an inheritance and the identity
13 of the person from whom it was received to the personnel board within 60 days after
14 receiving notice of the inheritance. The personnel board shall maintain a public record
15 of the disclosure. This subsection does not require disclosure of the value of the
16 inheritance.

17 (k) A state official or public agency may accept (1) a gift of volunteer services
18 for governmental purposes so long as the person making the gift of services is not
19 receiving compensation from another source for the services or (2) a gift of the
20 services of a trainee who is participating in an educational program approved by the
21 personnel board if the services are used for governmental purposes. The personnel
22 board shall approve training under a program of the University of Alaska and training
23 under 29 U.S.C. 1501 - 1792b (Job Training Partnership Act). A governmental
24 volunteer or educational trainee shall be considered to be a public employee for
25 purposes of compliance with this chapter other than AS 39.52.150, 39.52.155, and
26 39.52.160. If a person believes that a governmental volunteer or educational trainee
27 has violated the provisions of one of those sections, the person may file a complaint
28 under AS 39.52.310. The provisions of AS 39.52.310 - 39.52.390 apply to the
29 proceeding. This subsection does not permit a state official to accept a gift of services
30 for nongovernmental purposes.

31 (l) A state official who knows or reasonably ought to know that a family

1 member has received a gift because of the family member's connection with the
2 official's public office shall report the receipt of the gift by the family member to the
3 personnel board if the gift would have to be reported under this section if it had been
4 received by the public officer or if receipt of the gift by a public officer would be
5 prohibited under this section.

6 (m) In this section, the value of a gift shall be determined by the fair market
7 value of the gift to the extent that the fair market value can be determined.

8 (n) In this section, "immediate family" or "family member" means

9 (1) the spouse of the person;

10 (2) another person cohabiting with the person in a conjugal relationship
11 that is not a legal marriage;

12 (3) a child, including a stepchild and an adoptive child, of the person;

13 (4) a parent, sibling, grandparent, aunt, or uncle of the person; and

14 (5) a parent, sibling, grandparent, aunt, or uncle of the person's spouse.

15 • Sec. 72. AS 39.52 is amended by adding new sections to read:

16 Sec. 39.52.132. RESTRICTIONS ON FUND RAISING. (a) A state official,
17 including the governor and the lieutenant governor, may not

18 (1) on a day when either house of the legislature is in regular or special
19 session, solicit or accept a contribution or a promise or pledge to make a contribution
20 for a candidate for state office;

21 (2) accept money from an event held on a day when either house of the
22 legislature is in regular or special session if a substantial purpose of the event is to
23 raise money on behalf of the state official for a campaign for state office; or

24 (3) expend money in a campaign for state office that was raised by or
25 on behalf of a state official on a day when either house of the legislature was in a
26 legislative session under a declaration of candidacy or general letter of intent to
27 become a candidate for public office.

28 (b) In this section, "contribution" has the meaning given in AS 15.13.130.

29 Sec. 39.52.133. RESTRICTIONS ON EMPLOYEE CANDIDACIES. A state
30 official, other than the governor and the lieutenant governor, may not file a letter of
31 intent to become a candidate or file a declaration of candidacy for the legislature.

1 Sec. 39.52.136. OPEN MEETINGS LAW. State officials shall abide by the
2 open meetings law under AS 44.62.310 - 44 .62.312.

3 • Sec. 73. AS 39.52.150(d) is amended to read:

4 (d) A public officer shall report in writing to the personnel board and the
5 designated supervisor a personal or financial interest held by the officer, or an
6 immediate family member, in a state grant, contract, lease, or loan that is awarded,
7 executed, or administered by the agency the officer serves.

8 • Sec. 74. AS 39.52 is amended by adding a new section to read:

9 Sec. 39.52.155. DISCLOSURE OF CLOSE ECONOMIC ASSOCIATIONS.

10 (a) A state official shall disclose to the official's designated supervisor and to the
11 Alaska Public Offices Commission, which shall maintain a public record of the
12 disclosure, the formation or maintenance of a close economic association involving a
13 substantial financial matter with

14 (1) a supervisor who is not a public officer who has responsibility or
15 authority, either directly or indirectly, over the person's employment, including
16 preparing or reviewing performance evaluations, or granting or approving pay raises
17 or promotions;

18 (2) legislators;

19 (3) a public official who is required to file a financial disclosure
20 statement under AS 39.50 and is not an appointed municipal officer;

21 (4) a registered lobbyist; or

22 (5) a public officer if the person required to make the disclosure is the
23 governor or the lieutenant governor.

24 (b) A state official required to make a disclosure under this section shall make
25 an annual disclosure no later than February 15 of each year of the individual's close
26 economic associations then in existence. If the official forms a close economic
27 association after that date, the disclosure must be made within 60 days after forming
28 the association. A disclosure under this section must be sufficiently detailed that a
29 reader of the disclosure can ascertain the nature of the association.

30 (c) When making a disclosure under (a) of this section concerning a
31 relationship with a lobbyist to whom the state official is married or who is the

1 official's spousal equivalent, the state official shall also disclose the name and address
2 of each employer of the lobbyist and the total monetary value received from the
3 lobbyist's employer. The state official shall report changes in the employer of the
4 spouse or spousal equivalent within 48 hours after the change. In this subsection,

5 (1) "employer of the lobbyist" means the person from whom the
6 lobbyist received amounts or things of value for engaging in lobbying on behalf of
7 the person;

8 (2) "spousal equivalent" means a person cohabiting with the state
9 official in a conjugal relationship that is not a legal marriage.

10 (d) In this section, "close economic association" means a financial relationship
11 that exists between a state official and some other person or entity, including but not
12 limited to relationships where the state official serves as a consultant or advisor to, is
13 a member or representative of, or has a financial interest in, any association,
14 partnership, business, or corporation.

15 * Sec. 75. AS 39.52.170 is amended to read:

16 Sec. 39.52.170. OUTSIDE EMPLOYMENT RESTRICTED. (a) A public
17 employee may not render services to benefit a personal or financial interest or engage
18 in or accept employment outside the agency which the employee serves, if the outside
19 employment or service is incompatible or in conflict with the proper discharge of
20 official duties or, in the case of a state official, if the compensation sought or
21 accepted for the personal services is significantly greater than the value of the
22 services rendered, taking into account the higher rates generally charged by
23 specialists in a profession.

24 (b) A public employee rendering services for compensation, or engaging in
25 employment outside the employee's agency, shall report by July 1 of each year the
26 outside services or employment to the personnel board and to the employee's
27 designated supervisor. During the year, any change in an employee's outside service
28 or employment activity must be reported to the designated supervisor as it occurs.

29 * Sec. 76. AS 39.52.170 is amended by adding a new subsection to read:

30 (c) A state official may not accept a payment of anything of value, except for
31 actual and necessarily incurred travel expenses, for an appearance or speech by the

1 state official; this paragraph does not apply to the salary paid to a state official for
2 making an appearance or speech as part of the official's normal course of employment.

3 • Sec. 77. AS 39.52.180(b) is amended to read:

4 (b) Except as provided in (d) of this section, this [THIS] section does not
5 prohibit an agency from contracting with a former public officer to act on a matter on
6 behalf of the state.

7 • Sec. 78. AS 39.52.180(c) is amended to read:

8 (c) Except as provided in (d) of this section, and, in the case of a state
9 official, only after the elapse of one year from the date the state official left state
10 service, the [THE] head of an agency may waive application of (a) of this section
11 after determining that representation by a former public officer is not adverse to the
12 public interest. The waiver must be in writing and a copy of the waiver must be
13 provided to the attorney general for approval or disapproval.

14 • Sec. 79. AS 39.52.180 is amended by adding a new subsection to read:

15 (d) An agency may not enter into a contract with a state official who has left
16 state service and the head of an agency may not waive application of (a) of this section
17 if the purpose of the proposed contract or representation includes lobbying before a
18 state agency or the state legislature.

19 • Sec. 80. AS 39.52.210 is amended to read:

20 Sec. 39.52.210. DECLARATION OF POTENTIAL VIOLATIONS BY
21 PUBLIC EMPLOYEES. (a) A public employee who is involved in a matter that may
22 result in a violation of AS 39.52.110 - 39.52.190 shall

23 (1) refrain from taking any official action relating to the matter until
24 a determination is made under this section; and

25 (2) immediately disclose the matter in writing to the designated
26 supervisor and the personnel board.

27 (b) A public employee's designated supervisor shall make a written
28 determination whether an employee's involvement violates AS 39.52.110 - 39.52.190
29 and shall provide a copy of the written determination to the public employee and
30 to the personnel board. If the supervisor determines that a violation could exist or
31 will occur, the supervisor shall,

1 (1) reassign duties to cure the employee's potential violation, if feasible;
2 or

3 (2) direct the divestiture or removal by the employee of the personal
4 or financial interests that give rise to the potential violation.

5 (c) A state official or a designated supervisor may request guidance from the
6 personnel board [ATTORNEY GENERAL], in accordance with AS 39.52.240, when
7 determining whether a public employee is involved in a matter that may result in a
8 violation of AS 39.52.110 - 39.52.190.

9 * Sec. 81. AS 39.52.220 is amended to read:

10 Sec. 39.52.220. DECLARATION OF POTENTIAL VIOLATIONS BY
11 MEMBERS OF BOARDS OR COMMISSIONS. (a) A member of a board or
12 commission who is involved in a matter that may result in a violation of AS 39.52.110
13 - 39.52.190 shall disclose the matter on the public record and in writing to the
14 designated supervisor and to the personnel board. The supervisor shall determine
15 whether the member's involvement violates AS 39.52.110 - 39.52.190 and shall
16 provide a copy of the written determination to the board or commission member
17 and to the personnel board. If a member of the board or commission objects to the
18 ruling of the supervisor, or if the supervisor discloses an involvement requiring a
19 determination, the members present at a meeting, excluding the involved member, shall
20 vote on the matter. If the supervisor or a majority of the members voting determine
21 that a violation will exist if the member continues to participate, the member shall
22 refrain from voting, deliberating, or participating in the matter.

23 (b) The member of the board or commission, the designated supervisor, or
24 the board or commission may request guidance from the personnel board
25 [ATTORNEY GENERAL], in accordance with AS 39.52.240, when determining
26 whether a member of a board or commission is involved in a matter that may result
27 in a violation of AS 39.52.110 - 39.52.190.

28 * Sec. 82. AS 39.52.230 is amended to read:

29 Sec. 39.52.230. REPORTING OF POTENTIAL VIOLATIONS. A person may
30 report to a public officer's designated supervisor, under oath and in writing, a potential
31 violation of AS 39.52.110 - 39.52.190 by the public officer. The supervisor shall

1 provide a copy of the report to the officer who is the subject of the report and to the
2 personnel board, and shall review the report to determine whether a violation may
3 exist. The supervisor shall act in accordance with AS 39.52.210 or 39.52.220 if the
4 supervisor determines that the matter may result in a violation of AS 39.52.110 -
5 39.52.190.

6 * Sec. 83. AS 39.52.240(a) is amended to read:

7 (a) Upon the written request of a state official, designated supervisor, or a
8 board or commission, the personnel board [ATTORNEY GENERAL] shall issue
9 opinions interpreting this chapter. The requester must supply any additional
10 information requested by the personnel board [ATTORNEY GENERAL] in order to
11 issue the opinion. Within 60 days after receiving a complete request, the personnel
12 board [ATTORNEY GENERAL] shall issue an advisory opinion on the question.

13 * Sec. 84. AS 39.52.240(b) is amended to read:

14 (b) The personnel board [ATTORNEY GENERAL] may offer oral advice if
15 delay would cause substantial inconvenience or detriment to the requesting party.

16 * Sec. 85. AS 39.52.240(c) is amended to read:

17 (c) In the case of a request for advice from a designated supervisor or a
18 board or commission, the [THE] designated supervisor or the [A] board or
19 commission shall make a written determination based on the advice of the personnel
20 board [ATTORNEY GENERAL]. If the advice [OF THE ATTORNEY GENERAL]
21 provides more than one way for a public officer to avoid or correct a problem found
22 under AS 39.52.110 - 39.52.190, the designated supervisor or the board or commission
23 shall, after consultation with the officer, determine the alternative that is most
24 appropriate and advise the officer of any action required of the officer to avoid or
25 correct the problem.

26 * Sec. 86. AS 39.52.240(e) is amended to read:

27 (e) The personnel board [ATTORNEY GENERAL] may reconsider, revoke,
28 or modify an advisory opinion at any time, including upon a showing that material
29 facts were omitted or misstated in the request for the opinion.

30 * Sec. 87. AS 39.52.240(h) is amended to read:

31 (h) The personnel board [ATTORNEY GENERAL] shall publish in the

1 Alaska Administrative Journal, with sufficient deletions to prevent disclosure of the
2 persons whose identities are confidential under (g) of this section, the advisory
3 opinions issued under this section that the personnel board [ATTORNEY GENERAL]
4 determines to be of major import because of their general applicability to executive
5 branch officers.

6 • Sec. 88. AS 39.52.250 is amended to read:

7 Sec. 39.52.250. ADVICE TO FORMER PUBLIC OFFICERS. (a) A former
8 public officer may request, in writing, an opinion from the personnel board
9 [ATTORNEY GENERAL] interpreting this chapter. The personnel board
10 [ATTORNEY GENERAL] shall give advice in accordance with AS 39.52.240(a) or
11 (b) and publish opinions in accordance with AS 39.52.240(h).

12 (b) A former public officer is not liable under this chapter for any action
13 carried out in accordance with the advice of the personnel board [ATTORNEY
14 GENERAL] issued under this section, if the public officer fully disclosed all relevant
15 facts reasonably necessary to the issuance of the advice.

16 • Sec. 89. AS 39.52.260 is amended to read:

17 Sec. 39.52.260. DESIGNATED SUPERVISOR'S REPORT AND
18 PERSONNEL BOARD [ATTORNEY GENERAL] REVIEW. (a) A designated
19 supervisor shall quarterly submit a report to the personnel board that [ATTORNEY
20 GENERAL WHICH] states the facts, circumstances, and disposition of any disclosure
21 made under AS 39.52.210 - 39.52.240.

22 (b) The personnel board [ATTORNEY GENERAL] shall review
23 determinations reported under this section. The personnel board [ATTORNEY
24 GENERAL] may request additional information from a supervisor concerning a
25 specific disclosure and its disposition.

26 (c) The report prepared under this section is confidential and not available for
27 public inspection unless formal proceedings under AS 39.52.350 are initiated based on
28 the report. If formal proceedings are initiated, the relevant portions of the report are
29 public documents open to inspection. The personnel board [ATTORNEY
30 GENERAL] shall, however, make available to the public a summary of the reports
31 received under this section, with sufficient deletions to prevent disclosure of a person's

1 identity.

2 * Sec. 90. AS 39.52.310(a) is amended to read:

3 (a) The personnel board [ATTORNEY GENERAL] may initiate a complaint,
4 or elect to treat as a complaint, any matter disclosed under AS 39.52.210, 39.52.220,
5 39.52.250, or 39.52.260.

6 * Sec. 91. AS 39.52.310(b) is amended to read:

7 (b) A person may file a complaint with the personnel board [ATTORNEY
8 GENERAL] regarding the conduct of a current or former public officer. A complaint
9 must be in writing, be signed under oath, and contain a clear statement of the details
10 of the alleged violation.

11 * Sec. 92. AS 39.52.310(c) is amended to read:

12 (c) If a complaint alleges a violation of AS 39.52.110 - 39.52.190 by the
13 governor, lieutenant governor, or the attorney general, the [MATTER SHALL BE
14 REFERRED TO THE PERSONNEL BOARD. THE] personnel board shall retain
15 independent counsel who shall act in the place of the attorney general under
16 AS 39.52.350 (d) - (i) OF THIS SECTION, AS 39.52.320 - 39.52.350,] and
17 39.52.360(c) and (d).

18 * Sec. 93. AS 39.52.310(d) is amended to read:

19 (d) The personnel board [ATTORNEY GENERAL] shall review each
20 complaint filed [.] to determine whether it is properly completed and contains
21 allegations which, if true, would constitute conduct in violation of this chapter. The
22 personnel board [ATTORNEY GENERAL] may require the complainant to provide
23 additional information before accepting the complaint. If the personnel board
24 [ATTORNEY GENERAL] determines that the allegations in the complaint do not
25 warrant an investigation, the personnel board [ATTORNEY GENERAL] shall dismiss
26 the complaint with notice to the complainant and the subject of the complaint.

27 * Sec. 94. AS 39.52.310(e) is amended to read:

28 (e) The personnel board [ATTORNEY GENERAL] may refer a complaint
29 to the subject's designated supervisor for resolution under AS 39.52.210 or 39.52.220.

30 * Sec. 95. AS 39.52.310(f) is amended to read:

31 (f) If the personnel board [ATTORNEY GENERAL] accepts a complaint for

1 investigation, the personnel board [ATTORNEY GENERAL] shall serve a copy of
2 the complaint upon the subject of the complaint, for a response. The personnel board
3 [ATTORNEY GENERAL] may require the subject to provide, within 20 days after
4 service, full and fair disclosure in writing of all facts and circumstances pertaining to
5 the alleged violation. Misrepresentation of a material fact in a response to the
6 personnel board [ATTORNEY GENERAL] is a violation of this chapter. Failure to
7 answer within the prescribed time, or within any additional time period that may be
8 granted in writing by the personnel board [ATTORNEY GENERAL], may be
9 considered an admission of the allegations in the complaint.

10 • Sec. 96. AS 39.52.310(g) is amended to read:

11 (g) If a complaint is accepted under (f) of this section, the personnel board
12 [ATTORNEY GENERAL] shall investigate to determine whether a violation of this
13 chapter has occurred. At any stage of an investigation or review, the personnel board
14 [ATTORNEY GENERAL] may issue a subpoena under AS 39.52.380.

15 • Sec. 97. AS 39.52.320 is amended to read:

16 Sec. 39.52.320. ~~DISMISSAL BEFORE FORMAL PROCEEDINGS.~~ If, after
17 investigation, it appears that there is no probable cause to believe that a violation of
18 this chapter has occurred, the personnel board [ATTORNEY GENERAL] shall
19 dismiss the complaint and ~~[PREPARE AND FILE A CONFIDENTIAL SUMMARY~~
20 ~~WITH THE PERSONNEL BOARD. THE ATTORNEY GENERAL.]~~ shall
21 communicate disposition of the matter promptly to the complainant and to the subject
22 of the complaint.

23 • Sec. 98. AS 39.52.330 is amended to read:

24 Sec. 39.52.330. ~~CORRECTIVE OR PREVENTIVE ACTION.~~ After
25 determining that the conduct of the subject of a complaint does not warrant a hearing
26 under AS 39.52.360, the personnel board [ATTORNEY GENERAL] shall recommend
27 action to correct or prevent a violation of this chapter. The personnel board
28 [ATTORNEY GENERAL] shall communicate the recommended action to the
29 complainant and the subject of the complaint. The subject of the complaint shall
30 comply with the personnel board's [ATTORNEY GENERAL'S] recommendation.

31 • Sec. 99. AS 39.52.340(a) is amended to read:

1 (a) Before the initiation of formal proceedings under AS 39.52.350,
2 information regarding an investigation conducted under this chapter, or obtained by the
3 personnel board [ATTORNEY GENERAL] during the investigation, is confidential.
4 The personnel board [ATTORNEY GENERAL] and all persons contacted during the
5 course of an investigation shall maintain confidentiality regarding the existence of the
6 investigation. A person who violates this section is guilty of a class A misdemeanor.

7 * Sec. 100. AS 39.52.350 is amended to read:

8 Sec. 39.52.350. PROBABLE CAUSE FOR HEARING. (a) If the personnel
9 board [ATTORNEY GENERAL] determines that there is probable cause to believe
10 that a knowing violation of this chapter or a violation that cannot be corrected under
11 AS 39.52.330 has occurred, or that the subject of a complaint failed to comply with
12 a recommendation for corrective or preventive action, the personnel board
13 [ATTORNEY GENERAL] shall initiate formal proceedings by requesting the
14 attorney general to serve [SERVING] a copy of an accusation upon the subject of
15 the accusation. The accusation shall specifically set out the alleged violation. After
16 service, the accusation is a public document open to inspection. Except as provided
17 in AS 39.52.370(e), all subsequent proceedings are open to the public.

18 (b) The subject of the accusation shall file an answer with the personnel
19 board and the attorney general within 20 days after service of the accusation, or at
20 a later time specified by the personnel board [ATTORNEY GENERAL]. If the
21 subject of the accusation fails to timely answer, the allegations are considered
22 admitted.

23 (c) If the subject of the accusation denies that a violation of this chapter has
24 occurred, the [ATTORNEY GENERAL SHALL REFER THE MATTER TO THE]
25 personnel board], WHICH] shall appoint a hearing officer to conduct a hearing.

26 (d) If the subject of the accusation admits a violation of this chapter, the
27 [ATTORNEY GENERAL SHALL REFER THE MATTER TO THE] personnel board
28 shall [TO] impose penalties under AS 39.52.410, 39.52.430, and 39.52.450, as
29 appropriate.

30 * Sec. 101. AS 39.52.920 is amended to read:

31 Sec. 39.52.920. AGENCY POLICIES. Subject to the review and approval of

1 the personnel board [ATTORNEY GENERAL], an agency may adopt a written policy
2 that, in addition to the requirements of this chapter, limits the extent to which a public
3 officer in the agency or an administrative unit of the agency may

4 (1) acquire a personal interest in an organization or a financial interest
5 in a business or undertaking that may benefit from official action taken or withheld by
6 the agency or unit;

7 (2) have a personal or financial interest in a state grant, contract, lease,
8 or loan administered by the agency or unit, or

9 (3) accept a gift.

10 * Sec. 102. AS 39.52.950 is amended to read:

11 Sec. 39.52.950. REGULATIONS. The attorney general may adopt regulations
12 under AS 44.62 (Administrative Procedure Act) necessary to interpret and
13 implement the provisions concerning complaints under this chapter. The personnel
14 board may adopt regulations under AS 44.62 (Administrative Procedure Act)
15 necessary to interpret and implement the other provisions of this chapter.

16 * Sec. 103. AS 39.52.940(11) is amended to read:

17 (11) "immediate family member" means

18 (A) the spouse of the person;

19 (B) another person cohabiting with the person in a conjugal
20 relationship that is not a legal marriage; or

21 (C) a parent, child including a stepchild and an adoptive
22 child, and sibling of a person if the parent, child, or sibling resides with
23 the person, is financially dependent on the person, or shares a substantial
24 financial interest with the person [A PUBLIC OFFICERS SPOUSE, A
25 RELATION BY BLOOD WITHIN AND INCLUDING THE SECOND
26 DEGREE OF KINDRED, AND A REGULAR MEMBER OF THE OFFICERS
27 HOUSEHOLD].

28 * Sec. 104. AS 39.52.940 is amended by adding a new paragraph to read:

29 (23) "state official" means the governor, the lieutenant governor, a
30 person hired or appointed as the head or deputy head of a department in the executive
31 branch or as the director of a division in a department in the executive branch, the

1 chair or member of a state commission or board, as defined in AS 39.50.200(b), the
2 executive director of the Alaska Tourism Marketing Council, an assistant to the
3 governor or the lieutenant governor, a state investment officer, the state comptroller
4 in the Department of Revenue, and a state employee who is not otherwise listed in this
5 definition who is employed by an agency in the executive branch of state government
6 in the exempt or partially exempt service and who is compensated at Range 21A or
7 above on the state salary schedule under AS 39.27.011 or at more than \$4,200 per
8 month, however, "state official" does not include an employee who is a member of a
9 collective bargaining unit.

10 * Sec. 105. AS 44.62.175(a) is amended to read:

11 (a) The lieutenant governor shall publish or contract for the publication of the
12 Alaska Administrative Journal. The journal shall be published weekly. The journal
13 must include

14 (1) notices of proposed actions given under AS 44.62.190(a),

15 (2) notices of state agency meetings required under AS 44.62.310(c),
16 even if the meeting has been held,

17 (3) notices of solicitations to bid issued under AS 36.30.130,

18 (4) notices of state agency requests for proposals issued under
19 AS 18.55.255, 18.55.320, AS 36.30.210, AS 37.05.310, AS 38.05.120, and
20 AS 43.30.010

21 (5) executive orders and administrative orders issued by the governor,

22 (6) written delegations of authority made by the governor or the head
23 of a principal department under AS 44.17.010,

24 (7) the text or a summary of the text of a regulation or order of repeal
25 of a regulation for which notice is given under AS 44.62.190(a), including an
26 emergency regulation or repeal whether or not it has taken effect,

27 (8) a summary of the text of recently issued formal opinions and
28 memoranda of advice of the attorney general,

29 (9) a list of vacancies on boards, commissions, and other bodies whose
30 members are appointed by the governor; and

31 (10) in accordance with AS 39.52.200(h), advisory opinions of the

1 personnel board [ATTORNEY GENERAL].

2 * Sec. 106. Notwithstanding the amendments made to AS 39.52.240 - 39.52.250 by secs.
3 83 - 88 of this Act, a public officer or a former public officer may rely on an advisory opinion
4 given by the attorney general under AS 39.52.240 - 39.52.250 before the effective date of this
5 bill section to the same extent that the public officer or former public officer could have relied
6 on the opinion if those sections had not been amended by this Act.

7 * Sec. 107. Section 28 of this Act takes effect only if an initiative relating to election
8 campaign financing and the Alaska Public Offices Commission is approved by the voters in
9 1996.

10 * Sec. 108. If sec. 28 of this Act takes effect, it takes effect on the day after the initiative
11 described in sec. 107 of this Act takes effect.

12 * Sec. 109. Except as provided in sec. 108 of this Act, this Act takes effect January 1,
13 1997.

SB

142

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred: April 29, 1995

FURTHER REFERRALS:

Date of Committee Action: 5/2

The FINANCE Committee considered:

SB 142

CS FOR SENATE BILL NO. 142(STA)

HUMAN RESOURCE INVESTMENT COUNCIL.

"An Act establishing the Alaska Human Resource Investment Council and transferring certain functions of other entities to the council; abolishing the Employment Security Advisory Council; establishing a planning mechanism for employment training and other human resource investment needs; and providing for an effective date."

recommends it be replaced HCS with the following committee substitute CS# 142 (Fin) the same title a new title

additional referral to _____ Committee
 attached amendment(s)

ADOPTS: HRC Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) APPROVES PREVIOUS: (Dept, Date)

fiscal note(s) _____ fiscal note(s) Gov 3/27/95

zero fiscal note(s) _____ zero fiscal note(s) (1) LA 3/27/95 (1) DOE

U) Labor 3/27/95 (1) HCS 3/27/95
(1) DCE 3/27/95 (1) CPA 3/27/95

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>Richard Jolley</i>	Foster	X			
<i>Mark Hanley</i>	Hanley	X			
<i>Alan Mulder</i>	Mulder	X			
<i>Terry Martin</i>	Martin			f	
<i>Steve Navarre</i>	Navarre	X			
<i>Greg Grossenborg</i>	Grossenborg	X			
<i>John Kelly</i>	Kelly	✓			
<i>Tom Brown</i>	Brown	✓			
<i>Gene Therrault</i>	Therrault	X			
<i>Paul Parnell</i>	Parnell	X			
<i>Lee Kohring</i>	Kohring	X			

CHAIR'S SIGNATURE *Mark Hanley* *Richard Jolley*
Hanley *Foster*



Alaska State Legislature

HOUSE OF REPRESENTATIVES

Committee on Finance

Official Business

State Capitol
Juneau, Alaska 99801-1182

LETTER OF INTENT
FOR
HCS CSSB 142 (FIN)

It is the intent of the Alaska Legislature that it be acknowledged that:

(1) Alaska's most important resource is its people and a well-trained work force is essential for economic opportunity and the future fiscal well-being of the state;

(2) if the state is to be competitive, it must continue to produce a literate, reliable, skilled, and professional work force in order to meet the current and future needs of the state's employers;

(3) to continue to produce a competitive work force, the work force development and education programs in this state must be integrated to provide a comprehensive system of education and training opportunities necessary to maintain the readiness of the state's work force now and in the future;

(4) to maximize the effectiveness of education and job training opportunities in the state, an alliance of available resources in the public and private sectors in the state is essential;

(5) the creation of an alliance of education and job training opportunities in the state is consistent with national efforts to consolidate federally funded programs into an integrated system to provide a single entity to address issues in these programs;

(6) the creation of the Alaska Human Resource Investment Council will serve a vital role in forging such an alliance among all these programs to make training accessible to every Alaskan, to allow Alaskans, especially those persons in rural Alaska, to compete in the job marketplace.

Representative Mark Hanley, Co-Chair

5/2/95

Date

Representative Richard Foster, Co-Chair

2 MAY 95

Date

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

No. 1
Bill Version: SB 142
(S) Publish Date: 3-27-95

Revision Date:
Title: ALASKA HUMAN RESOURCE INVESTMENT COUNCIL

Department Affected: University of Alaska
BRU: ALL
Component: ALL

Sponsor:
Requestor:

COMPONENT SERIAL NO.

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	00	00	00	00	00	00
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	00	00	00	00	00	00

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

REVENUE FD SOURCE						
-------------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

1002 FEDERAL FUNDS						
1003 GF MATCH						
1004 GENERAL FUND						
1006 GF/MHTIA						
OTHER						
TOTAL FUNDING	00	00	00	00	00	00

POSITIONS:						
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)

Prepared by: Wendy Matheny, Budget Analyst Phone: 463-3086
 Division: Statewide Budget Office Date: 3/20/95
 Approved by: Wendy Redman, Vice President Date: 3/22/95
 Agency: University Relations

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

FISCAL NOTE

No. 2
 Bill Version: SB142
 (S) Publish Date: 3/27/95

STATE OF ALASKA
 1995 LEGISLATIVE SESSION

Revision Date: _____
 Title: Establishing an Alaska Human Resource Investment Council
 Sponsor: Governor Knowles
 Requester: _____

Department Affected: Education
 BRU: Education Program Support
 Component: Adult and Vocational Education Administration
 COMPONENT SERIAL NO. _____ 180

Expenditures/Revenues:

(Thousands of Dollars)

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

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

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

FUNDING:

(Thousands of Dollars)

	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	00	00	00	00	00	00

POSITIONS:

	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
FULL-TIME						
PART-TIME						
TEMPORARY						

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

ANALYSIS: (Attach a separate page if necessary)

This legislation establishes an Alaska Human Resource Investment Council as the lead state planning and coordinating entity for federal, state, and local employment training and human resource programs. Subject to legislative appropriation, the budget for the council is to be drawn from money available to the programs that are coordinated by the council. The department will support the AHRIC from existing funds available for that purpose.

Prepared by: Vince Barry, Director Phone: 465-8689
 Division: Education Program Support Date: March 20, 1995
 Approved by Commissioner: *Shirley Holloway* Shirley Holloway, Ph.D.
 Agency: Education Date: March 20, 1995

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181

Revision Date: _____ Dept. Affected: Community & Regional Affairs
 Title: *An Act creating the AK Human Resource BRU: Employ/Training/Rural Development
Investment Council . . . Component: JPTA
 Sponsor: Governor
 Requestor: Rules Committee COMPONENT SERIAL NO. 1180

Expenditures/Revenues: (Thousands of Dollars)

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

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

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

Estimate of current (FY95) Impact \$ _____

ANALYSIS: (Attach a separate page if necessary)
 This agency, being involved in human resources development, will be participatory in council organization and activities. The council's administrative costs will be funded by interagency transfer to the Office of the Governor from existing budgeted funds.

Prepared by: Remond Henderson, Director Remond Henderson Phone: 465-4708
 Division: Administrative Services Date: 3/20/95

Approved by Commissioner: Remond Henderson for Mike Irvine Date: 3/20/95

Agency: Community & Regional Affairs

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FISCAL NOTE

No. 4

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. _____

Bill Version: SB142

(S) Publish Date: 3-27-95

Revision Date: _____
Title: Establish the Alaska Human Resource Investment Council
Sponsor: Rules Committee
Requestor: Governor

Department Affected: Labor
BRU: Employment Security
Component: Employment/Unemployment Services
COMPONENT SERIAL NO. 1807

EXPENDITURES/REVENUES:

(Thousands of Dollars)

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

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

CHANGE IN REVENUE FUND SOURCE #						
--	--	--	--	--	--	--

FUNDS:

(Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY95) impact: \$ None

ANALYSIS: (Attach a separate page if necessary)

The proposed bill would establish the Alaska Human Resource Investment Council by consolidating three existing employment and training councils. The Department of Labor will absorb a share of the support of the new council with existing funds.

Prepared by: Rebecca J. Hance, Director *Rebecca J. Hance* Phone: 465-2712
Division: Employment Security Division Date: 3/17/95

Approved by Commissioner: Tom Cashen, Commissioner
Agency: Department of Labor *Tom Cashen* Date: 3/17/95

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FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

No. 5
Bill Version: SB 112
(S) Publish Date: 3-27-95

Revision Date: _____
Title: An Act establishing the Alaska Human Resource Investment Council
Investment Council
Sponsor: Governor
Requestor: Governor

Dept. Affected: Health and Social Services
BRU: Public Assistance Admin
Component: Alaska Work Programs
COMPONENT SERIAL NO. 238
See also (SN#): _____

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGES IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY96	FY97	FY98	FY99	FY00	FY01
1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other (please specify)	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

POSITIONS:	FY96	FY97	FY98	FY99	FY00	FY01
FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of any current year (FY95) cost: 10.0

ANALYSIS: (Attach a separate page if necessary)

This bill establishes a lead state planning and coordinating entity for certain federal, State, and local employment and training and human resources. This entity, known as the Alaska Human Resource Investment Council (AHRIC), consolidates several existing councils, including AJTC. As a voting member of the AJTC, the passing of this bill will transfer DHSS' membership to AHRIC. The cost for participation will be shared by all agencies from existing budgets. Participation as an AHRIC member is business as usual. No additional funds are requested.

Prepared by: Jim Nordlund, Director
Division: Public Assistance

Phone: (907) 465-2680
Date: 03/17/95

Approved by Commissioner: Karen Perdue, Commissioner
Agency: Department of Health & Social Services

Date: 3/17/95

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FISCAL NOTE

No. 16

Bill Version: SB 142

(S) Publish Date: 3-27-95

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BIL

Revision Date: March 17, 1995
 Title: An Act creating the Alaska Human Resources
 Investment Council...
 Sponsor: Governor
 Requestor: Rules Committee

Department: Commerce and Economic Development
 BRU: Economic Development
 Component: Economic Development
 COMPONENT SERIAL NO. 801

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	00	00	00	00	00	00
CAPITAL EXPENDITURES	00	00	00	00	00	00
CHANGE IN REVENUES	00	00	00	00	00	00

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	00	00	00	00	00	00

Estimate of any current year (FY 95) cost: \$ _____

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

The following amounts will be expensed as interagency transfers to the Office of the Governor to fund administration of the AHRIC. DCED will absorb the cost; no additional funding is requested.

FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
0.7	0.6	0.4	0.4	0.5	0.5

Prepared by: Guy Bell, Director
 Division: Administrative Services
 Approved by Commissioner: William L. Hensley
 Agency: Commerce and Economic Development

Phone: 465-2505
 Date: March 17, 1995
 Date: 3/17/95

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FISCAL NOTE

No. 7
 Bill Version: SB 142
 (S) Publish Date: 3-27-95

STATE OF ALASKA
 1995 LEGISLATIVE SESSION

Revision Date: _____
 Title: "An Act creating the AK Human Resources Investment Council..."
 Sponsor: Governor
 Requestor: Rules Committee

Department Affected: Office of the Governor
 BRU: Commissions/Special Offices
 Component: Human Resources Investment Council
 COMPONENT SERIAL NO. _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	171.7	272.1	278.1	284.8	291.4	299.7
TRAVEL	34.6	48.0	48.0	48.0	48.0	48.0
CONTRACTUAL	66.8	83.0	80.2	77.5	74.7	72.0
SUPPLIES	3.0	6.0	6.0	6.0	6.0	6.0
EQUIPMENT	33.5	.5	.5	.5	.5	.5
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	309.6	409.6	412.8	416.8	420.8	426.2

CAPITAL EXPENDITURES						
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CHANGE IN						
-----------	--	--	--	--	--	--

FUND SOURCE	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
OTHER 1007 UA	309.6	409.6	412.8	416.8	420.8	426.2
TOTAL	309.6	409.6	412.8	416.8	420.8	426.2

POSITIONS	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
FULL TIME	1	1	1	1	1	1
PART TIME						
TEMPORARY						

Estimate of any current year (FY95) cost: 0

ANALYSIS: (Attach a separate page if necessary.)
 Requires no new GF funding - see attached analysis

Prepared by: Michael A. Nich Director *M. Nich* Phone: 465 3876
 Division: Division of Administrative Services Date: 3/20/95
 Approved by Commissioner: John Ayers, Chief of Staff *David Rasmus*
 Agency: Office of the Governor Date: 3/23/95

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Telephone:	-	6,000
(toll costs, base/local fixed costs, fax 1000/mo x 6.0 months first year)		
Postage:	-	1,800
(300/mo x 6 months first year)		
Transportation:		
Freight and express charges	-	600
100/mo x 6.0 (first year)		
Advertising/Printing:		
Public notice requirements	-	2,000
Minor Repair, Maintenance:	-	750
(second and subsequent years)		
Rental for office space:	-	11,610
900 nsf x \$2.15 x 6 mos		
subsequent years 23,220		
Rental space for council meetings and public hearings	-	1,000

SUPPLIES

3.0

Data processing/office/duplicating supplies \$500/mo x 6 mos.	-	3,000
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EQUIPMENT

33.5

Communication:

Phone system	-	4,000
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Data Processing Equipment:

PCs, system printers, network token rings, cableing, network and work stations software	-	17,000
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Furniture/Office equipment:

offices/work stations	-	6,500
file cabinets, bookcases	-	2,500
Fax machine	-	3,500
Mail Machine/Scale	-	

374 58114

CS FOR SENATE BILL NO. 142(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE STATE AFFAIRS COMMITTEE

Offered: 4/21/95

Referred: Finance

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing the Alaska Human Resource Investment Council and
 2 transferring certain functions of other entities to the council; abolishing the
 3 Employment Security Advisory Council; establishing a planning mechanism for
 4 employment training and other human resource investment needs; and providing
 5 for an effective date."

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

7 • Section 1. LEGISLATIVE FINDINGS AND PURPOSE. (a) The legislature finds that

8 (1) Alaska's most important resource is its people and a well-trained work force
 9 is essential for economic opportunity and the future fiscal well-being of the state;

10 (2) if the state is to be competitive, it must continue to produce a literate,
 11 reliable, skilled, and professional work force in order to meet the current and future needs of
 12 the state's employers;

13 (3) to continue to produce a competitive work force, the work force

1 development and education programs in this state must be integrated to provide a
2 comprehensive system of education and training opportunities necessary to maintain the
3 readiness of the state's work force now and in the future;

4 (4) to maximize the effectiveness of education and job training opportunities
5 in the state, an alliance of available resources in the public and private sectors in the state is
6 essential;

7 (5) the creation of an alliance of education and job training opportunities in
8 the state is consistent with national efforts to consolidate federally funded programs into an
9 integrated system to provide a single entity to address issues in these programs;

10 (6) the creation of the Alaska Human Resource Investment Council will serve
11 a vital role in forging such an alliance among all these programs to make training accessible
12 to every Alaskan, to allow Alaskans, especially those persons in rural Alaska, to compete in
13 the job marketplace.

14 (b) The purposes of this Act are

15 (1) to establish the Alaska Human Resource Investment Council to develop and
16 oversee the implementation of a comprehensive state human resource investment system;

17 (2) to promote an efficient, effective, and integrated system of employment
18 education and training programs and services so that all Alaskans have the skills and
19 opportunities necessary to earn a living wage and to meet the future business needs of the
20 state.

21 * Sec. 2. AS 14.35.020(b) is amended to read:

22 (b) When required by any of the Acts described in AS 14.35.010 the board
23 shall

24 (1) prepare, submit, and supervise the administration of the plans for
25 vocational education and vocational rehabilitation;

26 (2) select a state director of vocational education;

27 (3) establish the minimum qualifications for teachers, supervisors, or
28 directors;

29 (4) determine the prorated basis on which money shall be available for
30 the salary and necessary travel expenses of the state director of vocational education;

31 (5) consider the advice of the Alaska Human Resource Investment

AHRIC FISCAL NOTE

AHRIC FY 96 - 2001 Funding Allocation INTERAGENCY TRANSFERS TO GOVERNOR'S OFFICE						
DEPARTMENT/PROGRAM	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
COMMUNITY AND REGIONAL AFFAIRS	7.0	3.4	3.8	4.2	4.7	5.4
JIC ADMINISTRATION	60.1	120.2	120.2	120.2	120.2	120.2
DCRA TOTAL	67.1	123.6	124.0	124.5	124.9	125.6
DEPARTMENT OF EDUCATION	6.3	3.1	3.4	3.9	4.2	4.8
GCOVE	80.1	150.0	150.0	150.0	150.0	150.0
DOE TOTAL	86.4	153.1	153.4	153.9	154.2	154.8
DEPARTMENT OF LABOR	7.2	3.6	4.0	4.5	4.9	5.6
STEP	110.0	110.0	110.0	110.0	110.0	110.0
DOL TOTAL	117.2	113.6	114.0	114.5	114.9	115.6
DEPARTMENT OF HEALTH & SOCIAL SERVICES	3.0	1.5	1.7	1.9	2.0	2.3
DEPARTMENT OF COMMERCE & ECON DEVELOP	0.7	0.3	0.4	0.4	0.5	0.5
UNIVERSITY OF ALASKA	35.3	17.4	19.4	21.7	24.0	27.3
GRAND TOTAL VIA TRANSFERS	309.6	409.6	412.8	416.8	420.6	426.2

TONY KNOWLES
GOVERNOR



P O Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500
Fax (907) 465-3532

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 24, 1995

The Honorable Gail Phillips
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Speaker Phillips:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that will establish the Alaska Human Resource Investment Council as the lead state entity to plan and coordinate federal, state, and local employment training and human resource programs. This bill consolidates the functions of three existing councils and commissions into a single council located in the Governor's office to provide coordinated oversight of job training programs throughout the state to ensure effective training that leads to employment of Alaskans.

This bill designs the Alaska Human Resource Investment Council (AHRIC) to meet the federal statutory requirements for a consolidated human resource investment council and is in response to anticipated changes that include the lump sum, block grant funding scenario presently being proposed in Congress. Twenty-one states have currently taken advantage of this option created under Title VII of the 1992 Job Training Partnership Act. It maximizes federal funds and avoids duplication of effort.

The consolidation will increase efficiency and effectiveness of job training and vocational education efforts within the state by combining the existing staff and board members of the State Job Training Coordinating Council, the Employment Security Advisory Council and the Governor's Council on Vocational Education. It reduces the current roster of 35 board and commission members to a maximum of 26. This bill also envisions a key staff position to oversee the development of a collaborative strategic plan, facilitate the transitional phase of the consolidation of the boards, and effect the merging of staff responsibilities in anticipation of major revisions in the Federal funding mechanisms for job training and vocational education.

The Honorable Gail Phillips
March 24, 1995
Page 2

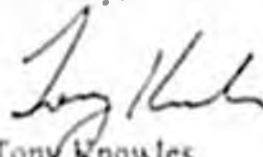
This legislation will provide an economy of scale for the many advisory and oversight groups presently involved in job training, adult, and vocational education; eliminate state agency overlap in planning and data collection; increase the efficiency and effectiveness of existing training programs to meet the changing needs of Alaskan employers through private sector involvement; better prepare Alaskan workers for Alaskan jobs with targeted training programs and recommend policy incentives for employers to seek out and hire Alaskan workers. In addition, the AHRIC will use its resources to open more opportunities for self-sufficiency to those Alaskan families presently receiving Aid to Families with Dependent Children in order to achieve our goal of putting our citizens presently receiving benefits back into the workforce with good jobs in the shortest time possible.

The council will be made up of at least 15 percent representation from education, 15 percent representation from industry, and 15 percent representation from labor, as well as other representation that will bring valuable input to the human resources strategic planning process. The bill also dictates that a private sector majority will sit on this board to insure that employers and labor have dynamic involvement in designing effective programs.

A full year of transition is proposed to insure the orderly transfer of functions from existing councils and commissions to AHRIC. The councils and their volunteer members will plan an orderly consolidation and contribute to the development of a long range strategic plan. The Governor's Office staff member will compile and facilitate this development. Thirteen additional state and federal programs may be considered during this period for inclusion under the advisory provisions of AHRIC.

Enactment of this bill would enable the state to promote an efficient, effective, and integrated system of employment education and training programs and services. I urge your support of the bill.

Sincerely,



Tony Knowles
Governor

ALASKA HUMAN RESOURCE INVESTMENT COUNCIL

SECTIONAL ANALYSIS

Section 1 of this bill sets out the legislative findings and the purpose for formulating the AHRIC. The findings specifically address the importance of developing an integrated strategic planning process to look at the state's myriad training and educational programs in order to promote a most effective Alaskan work force that is prepared for Alaskan jobs.

Section 2 directs the state Board of Education to consider the advice of the AHRIC regarding employment training needs and to advise the AHRIC in the development of vocational education programs. Section 3 makes a member of AHRIC a member of the Alaska Commission on Postsecondary Education, replacing a member of the Council on Vocational Education. The latter council, which is not created in state law, will be dissolved by governor's administrative order. Section 4 includes the AHRIC as a state board or commission whose membership is subject to the conflict of interest reporting requirements of AS 39.50.

Section 5 establishes the AHRIC in the Office of the Governor and sets out the membership of the council. Membership will be reduced from 38 today to at least 23 , and up to 26, representatives from state agencies, education, labor, industry, community organizations, and at least one representative with a knowledge of developmental disabilities. One to four additional, undesignated positions are provided to assure a private sector majority on the council and to assure regional and local representation. The lieutenant governor and specified commissioners are members of the council. The governor would appoint the other members of the council, who would serve for staggered four-year terms. Additional nonvoting members could be appointed to the council. The governor is to ensure that the individuals appointed to the council have the expertise needed to perform the functions of the council.

Section 5 also establishes the AHRIC as the state planning and coordinating entity for certain state programs that are administered under a number of federal provisions. The functions of the AHRIC would include the facilitation of statewide human resources planning and the coordination of employment training and education programs. The AHRIC would assume the duties and functions of the state councils that currently direct or advise the agencies that operate the federal programs. The AHRIC also would submit a biennial strategic plan to the governor and the legislature and monitor the implementation of the strategic plan. Subject to legislative appropriation, the budget for the council is to be drawn from money available to the programs that are coordinated by the council.

Sections 6 through 15 provide statutory and session law changes for consistency with the shift of responsibilities to the AHRIC, including deletion of references to the State Job Training Coordinating Council. Section 15 would repeal statutory provisions that establish or refer to the Employment Security Advisory Council. Under sec. 22, the repeal would take effect January 1, 1996, after a transition period under sec. 16 during which functions will be transferred to the AHRIC. Other councils whose duties or functions are to be assumed by the AHRIC, including the State Job Training Coordinating Council, would be dissolved by administrative order as of January 1, 1996, since they are not established in state statute.

As set out in sec. 16, during the transition period the boards and councils that oversee the federal and state program functions that would be assumed by the AHRIC would hold joint meetings to facilitate the transfer of duties. As specified in sec. 20, the transition provisions have an immediate effective date. Under sec. 21, the statutory provisions creating and transferring functions to the AHRIC take effect July 1, 1995. During this year of transition existing councils and commissions will continue to provide for the requirements of existing Federal accounting and reporting requirements in order to maximize our program revenues. In addition they will plan an orderly sunset of their responsibilities and empower the AHRIC to assume their duties with an effective date no later than July 1, 1996.

Sections 18 and 19 set out two reporting requirements that would constitute the immediate tasks of the AHRIC. One report is to address the consolidation of state human resources programs and the other is to make recommendations on the role that the private industry councils, created under the federal Job Training Partnership Act, may play in the alliance of human resource programs. Both reports are to be prepared and submitted no later than July 1, 1996.

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SB 142 and HB 280

Alaska Human Resource Investment Council

(AHRIC)



HIGH YIELD INVESTMENT

STRONG ALASKAN BUSINESSES

RESIDENT HIRE

LESS GOVERNMENT

**DO YOU KNOW ...
IN 1993**

... GOVERNMENT COSTS

There were 40 council members on three separate state councils* who met at least 12 times to plan, coordinate and review many of the same programs in job training, vocational education and employment services

... GOVERNMENT BUREAUCRACY

These 3 councils were supported by staff in 3 separate state agencies?

... ALASKAN BUSINESSES

Alaska's private sector employed 71% of the state's work force**?

... ALASKAN HIRE

Alaska's work force contained 75,000 nonresident workers? At the same time there were 50,000 Alaskans drawing unemployment!

*Alaska Job Training Council, Governor's Council on Vocational and Career Education, Employment Security Advisory Council

**excludes the self-employed

**... IN 1995
AHRIC WILL:**

... PRODUCE HIGH YIELD GOVERNMENT INVESTMENT

- AHRIC needs **NO STATE GENERAL FUND \$**. Current Federal law permits creation of this council with existing federal \$ that will be redirected from 3 councils to one.
- AHRIC has the same duties as 3 current councils, **PLUS MORE**. It merges the focus of 3 councils in one clear direction
- AHRIC reduces the number of separate council meetings from 12 to 4. This is a 75% reduction in the current number of meetings with costs.

... CREATE LESS GOVERNMENT (3→1/3→1/40→26)

- AHRIC rolls 3 state councils into 1.
- AHRIC moves staff support from 3 state offices to 1.
- AHRIC reduces 40 council seats to no more than 26. This is 65% of current membership

... STRENGTHEN ALASKAN BUSINESSES

- A majority of the seats on AHRIC are for private sector businesses and industries, the same folks who hire Alaskan residents
- A job-ready Alaskan work force attracts development and so strengthens the local economy and the Alaskan business

... INCREASE RESIDENT HIRE

- Private sector Alaskan businesses want to hire Alaskan residents, but they need job-ready workers
- AHRIC will see to it that resident workers are trained for Alaskan jobs

**DO YOU KNOW ...
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... INCREASE RESIDENT HIRE

- Private sector Alaskan businesses want to hire Alaskan residents, but they need job-ready workers
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QUESTIONS ABOUT AHRIC?

Governor's Office of Management & Budget:

Brad Pierce 465-4677

Lieutenant Governor's Office

Bob Rubadeau 465-4083

Alaska Job Training Council

Debra Call 273-8111

Carol Akerelrea 269-4653

Governor's Council on Vocational & Career Education

Jerry Lewis 586-1736

Employment Security Advisory Council

Rebecca Nance 269-2711

Sally Saddler 269-5934

SB

142

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 4/21/95

FURTHER:

DATE TURNED INTO OFFICE: 4-25-95

The Finance Committee considered **SENATE BILL NO. 142**

Establishing the Alaska Human Resource Investment Council and transferring certain functions of other entities to the council; establishing a planning mechanism for employment training and other human resource investment needs; etd.

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS SB 142 (STA)
- attached amendment(s) _____
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

Senate Bill
same title
new title
House Bill
same title
attached
new title

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DM
<i>[Signature]</i>	<input checked="" type="checkbox"/>	<i>[Signature]</i>	<input checked="" type="checkbox"/>	
<i>[Signature]</i>	<input checked="" type="checkbox"/>			
<i>[Signature]</i>	<input checked="" type="checkbox"/>			
Co-Chair: <i>[Signature]</i>	<input checked="" type="checkbox"/>			
Co-Chair: <i>[Signature]</i>		<i>[Signature]</i>	<input checked="" type="checkbox"/>	

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal
#1 U&P	<i>[Signature]</i>	0	
#2 DOE	<i>[Signature]</i>	0	
#3 DC+RA	<i>[Signature]</i>	0	
#4 DOL	<i>[Signature]</i>	0	
#5 DN+SS	<i>[Signature]</i>	0	
#6 DC+ED	<i>[Signature]</i>	0	
#7 GOVERNOR	<i>[Signature]</i>	0	

APPROPRIATION -- no fiscal note

*Include fiscal notes accompanying Governor's Budget

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

No. 1

Bill Version: SB 142

REPORTED TO
SFC 1-26-95

(S) Publish Date: 3-27-95

Revision Date:
Title: ALASKA HUMAN RESOURCE INVESTMENT COUNCIL

Department Affected: University of Alaska
BRU: ALL
Component: ALL

Sponsor:
Requestor:

COMPONENT SERIAL NO.

EXPENDITURES-REVENUES: (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	001	001	001	001	001	001
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	001	001	001	001	001	001

CAPITAL

REVENUE SOURCE

FUNDING: (Thousands of Dollars)

FEDERAL FUNDS						
FEDERAL MATCH						
GENERAL FUND						
GRANTS						
OTHER						
TOTAL FUNDING	001	001	001	001	001	001

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Number of positions new or changed

None

UNCLASIFIED - Attach to request page if necessary

Prepared by:

Wanda Madson, Budget Analyst

Phone:

465-5086

Location:

Statewide Budget Office

Date:

3/27/95

Approved by:

Wanda Madson, Vice President

Signature:

Title:

Legislative Relations

Date:

Distribution: to requestor, Legislative Planning, Legislative Sponsor, & committee, CMB & Departmental Offices

FISCAL NOTE

No. 2

Bill Version: SB142

(S) Publish Date: 3/27/95

REPORTED CURRENT YEAR

FISCAL YEAR 4-70-95

STATE OF ALASKA
1995 LEGISLATIVE SESSION

Revision Date: _____

Department Affected: Education

Title: Establishing an Alaska Human Resource Investment Council

BRU: Education Program Support

Component: Adult and Vocational Education Administration

Sponsor: Governor Knowles

Requester: _____

COMPONENT SERIAL NO. 180

Expenditures/Revenues:

(Thousands of Dollars)

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

CAPITAL

REVENUE FUND SOURCE:

FUNDING:

(Thousands of Dollars)

FEDERAL RECEIPTS						
FEDERAL MATCH						
FEDERAL						
STATE OF PROGRAM RECEIPTS						
STATE OF MMTA						
OTHER						
TOTAL	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY95) impact \$ 00

ATTACHMENTS (Attach a separate page if necessary)

This legislation establishes an Alaska Human Resource Investment Council as the lead state planning and coordinating entity for federal, state, and local employment training and human resource programs. Subject to legislative appropriation, the budget for the council is to be drawn from money available to the programs that are coordinated by the council. The department will support the AHRIIC from existing funds available for that purpose.

Prepared by: Vince Barry, Director Phone: 465-8489
 Division: Education Program Support Date: March 20, 1995
 Approved by: Commissioner *[Signature]* Date: Shirley Holloway, Ph.D.
 Agency: Education Date: March 20, 1995

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STATE OF ALASKA
1994 LEGISLATIVE SESSION

FISCAL NOTE

No. 3
Bill Version: SB 142
(S) Publish Date: 3-27-95

Revision Date: 3-25-95 Dept. Affected: Community & Regional Affairs
Title: An Act creating the AK Human Resource Invest. Council BFL: Employ/Training/Rural Development
Sponsor: Governor Component: JPTA
Requestor: Rules Committee COMPONENT SERIAL NO. 1180

Expenditures/Revenues		(Thousands of Dollars)					
OPERATING		FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES							
TRAVEL							
CONTRACTUAL							
SUPPLIES							
EQUIPMENT							
LAND & STRUCTURES							
GRANTS, CLAIMS							
MISCELLANEOUS							
TOTAL OPERATING		0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL

REVENUE FUND SOURCE:

FUNDS		(Thousands of Dollars)					
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1006 GF/M-T-A							
Other							
TOTAL		0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS							
FULL-TIME		0	0	0	0	0	0
PART-TIME							
TEMPORARY							

Estimate of current (FY95) impact: \$ _____

ATTACHMENTS: (Attach a separate page if necessary)
This agency, being involved in human resources development, will be participatory in council organization and activities. The council's administrative costs will be funded by interagency transfer to the Office of the Governor from existing budgeted funds.

Prepared by: Ronald Henderson, Director Phone: 465-4720
Division: Administrative Services Date: 3/27/95
Approved by: Commissioner Ronald Henderson for Mike Iversen Date: 3/27/95
Agency: Community & Regional Affairs

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

REPORTED
FD 1-25-95

BILL NO.

No. 4
Bill Version: 58142
(S) Publish Date: 3-27-95

Revision Date: _____
Title: Establish the Alaska Human
Resource Investment Council
Sponsor: Rules Committee
Requestor: Governor

Department Affected: Labor
BAC: Employment Security
Component: Employment/Unemployment Services
COMPONENT SERIAL NO. 1907

EXPENDITURES/REVENUES:

(Thousands of Dollars)

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

CAPITAL

--	--	--	--	--	--	--

CHANGE IN REVENUE

--	--	--	--	--	--	--

FUND SOURCE #

--	--	--	--	--	--	--

FUNDING:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF Program Receipt						
1006 GF MHA						
Other						
TOTAL	00	00	00	00	00	00

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY95) impact: \$ None

ANALYSIS (Attach a separate page if necessary)

The proposed bill would establish the Alaska Human Resource Investment Council by consolidating three existing employment and training councils. The Department of Labor will absorb a share of the support of the new council within existing funds.

Prepared by: Rebecca J. Nance, Director Phone: 465-2712
Division: Employment Security Division Date: 3/7/95

Approved by Commissioner: Tom Cashen, Commissioner
Agency: Department of Labor Date: 3/7/95

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FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

No. 5
Bill Version: SB142
(S) Publish Date: 3-27-95

Revision Date: _____
Title: An Act establishing the Alaska Human Resource
Investment Council
Sponsor: Governor
Requestor: Governor

Dept. Affected: Health and Social Services
BRU: Public Assistance Admin
Component: Alaska Work Programs
COMPONENT SERIAL NO. 238
See also (SN#): _____

Expenditures/Revenue:

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
----------------------	-----	-----	-----	-----	-----	-----

CHANGES IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0
---------------------	-----	-----	-----	-----	-----	-----

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other (please specify)	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

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

Estimate of any current year (FY95) cost: 0.0

ANALYSIS: (Attach a separate page if necessary)

This bill establishes a lead state planning and coordinating entity for certain federal, State, and local employment and training and human resources. This entity, known as the Alaska Human Resource Investment Council (AHRIC), consolidates several existing councils, including AJTC. As a voting member of the AJTC, the passing of this bill will transfer DHSS' membership to AHRIC. The cost for participation will be shared by all agencies from existing budgets. Participation as an AHRIC member is business as usual. No additional funds are requested.

Prepared by: Jim Nordlund, Director
Division: Public Assistance

Jim Nordlund
Public Assistance

Phone: (907) 465-2488

Date: 03/17/95

Approved by Commissioner: Karla Purden, Commissioner

Agency: Department of Health & Social Services

Karla Purden
Department of Health & Social Services

Date: 3/17/95

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FISCAL NOTE

No. 10

Bill Version: SB 142

(S) Publish Date: 3-27-

**STATE OF ALASKA
1995 LEGISLATIVE SESSION**

BILL

Revision Date: March 17, 1995 Department: Commerce and Economic Development
 Title: An Act creating the Alaska Human Resources BRU: Economic Development
 Investment Council: _____ Component: Economic Development
 Sponsor: Governor
 Requestor: Rules Committee COMPONENT SERIAL NO. 801

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 95	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	00	00	00	00	00	00
CAPITAL EXPENDITURES	00	00	00	00	00	00
CHANGE IN REVENUES	00	00	00	00	00	00

FUND SOURCE	(Thousands of Dollars)					
*002 Federal Receipts						
*003 GF Match						
*004 General Fund						
*005 GF/Program Receipts						
*006 GF/MHTIA						
Other						
TOTAL	00	00	00	00	00	00

Estimate of any current year (FY 95) cost: \$ _____

POSITIONS	
FULL-TIME	
PART-TIME	
TEMPORARY	

ANALYSIS: (Attach a separate page if necessary)

The following amounts will be expensed as interagency transfers to the Office of the Governor to fund administration of the ANRIC DCEI. I absorb the cost, no additional funding is requested.

FY 95	FY 97	FY 98	FY 99	FY 00	FY 01
07	06	04	04	05	05

Prepared By: Guy Bell, Director Phone: 465-2505
 Division: Administrative Services Date: March 17, 1995
 Approved by Commissioner: William L. Hensley Date: 3/23/95
 Agency: Commerce and Economic Development

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FISCAL NOTE

No. 7

Bill Version: SB 142

(S) Publish Date: 3-27-

STATE OF ALASKA
1995 LEGISLATIVE SESSION

Revision Date: _____

Title: "An Act creating the AK Human Resources Investment Council..."

Sponsor: Governor

Requestor: Rules Committee

Department Affected: Office of the Governor

BRU: Commissions/Special Offices

Component: Human Resources Investment Council

COMPONENT SERIAL NO. _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	171.7	272.1	278.1	284.8	291.4	299.7
TRAVEL	34.6	48.0	48.0	48.0	48.0	48.0
CONTRACTUAL	66.8	83.0	80.2	77.5	74.7	72.0
SUPPLIES	3.3	6.0	6.0	9.0	6.0	6.0
EQUIPMENT	33.5	5	5	5	5	5
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	309.6	409.6	412.8	416.8	420.6	426.2

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN						
-----------	--	--	--	--	--	--

FUND SOURCE	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF Program Receipts						
1006 GF MMTIA						
OTHER 1007 VA	309.6	409.6	412.8	416.8	420.6	426.2
TOTAL	309.6	409.6	412.8	416.8	420.6	426.2

POSITIONS	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
FULL TIME	1	1	1	1	1	1
PART TIME						
TEMPORARY						

Estimate of any current year (FY95) cost: 0

ANALYSIS: (Attach a separate page if necessary.)

Requires no new GF funding - see attached analysis

Prepared by: Michael A. Nizich, Director *M. Nizich*

Division: Division of Administrative Services

Phone: 485-2876

Date: 3/20/95

Approved by Commissioner: *David Rawlins*
John Ayers, Chief of Staff

Agency: Office of the Governor

Date: 3/23/95

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Fiscal note assumes 27 member council and Executive Director appointments in early July and two organizational meetings during the transition period from July 1, 1995 to January 1, 1996. It is anticipated that commencing with FY97, the Council will be receiving block grants from the federal government and passing these funds back to the departments.

PERSONAL SERVICES

171.7

First six months Executive Director, balance of staff after 1/1/96. Subsequent fiscal years reflect anticipated merit increases. FISCAL NOTE REQUESTS AUTHORIZATION FOR ONE NEW PCN ONLY. Additional three positions are existing positions that will be transferred from other agencies for the Council staff.

12 months: Executive Director Rg. 23
 6 months: Program Manager Rg. 21
 Research Analyst Rg. 19
 Admin. Assistant Rg. 14

TRAVEL

34.6

Two organizational meetings prior to 1/1/96, and one additional face-to-face meeting. Subsequent years, quarterly meetings. Assumes 10 Anchorage members, 7 Fairbanks members, 5 Juneau Executive Branch commissioners, 5 Juneau public members and two Anchorage council staff members. Current market conditions are enabling travelers to fly to Anchorage at reduced rates. However, long-term continuation of these rates is unknown and fiscal note assumes travel costs at normal airfare. Lower rates will be utilized when available. The Office of the Governor will absorb the costs of administering travel and per diem.

Airfare:

Two Anchorage meetings - 14,704
 Per diem/local trans. - 6,596
 One Juneau meeting - 3,290
 Per diem/local trans. - 4,036

CONTRACTUAL

66.8

Professional Services: - 42,200

labor economist time for
 project and data base analysis

Communication:

Teleconference meetings - 1,750
 (2 meetings first year, subsequent years 1 meetings
 and one statewide public hearing)

204

35142

Telephone: = 5,000
 (total costs, base/local fixed costs, fax
 1000/mo x 5.0 months first year)

Postage: = 1,300
 (300/mo x 6 months first year)

Transportation:

Freight and express charges
 100/mo x 6.0 (first year) = 600

Advertising/Printing:

Public notice requirements = 2,000

Minor Repair, Maintenance: = 750
 (second and subsequent years)

Rental for office space:
 300 nsf x \$2.15 x 6 mos = 11,610
 subsequent years 23,220

Rental space for council meetings
 and public hearings = 1,000

SUPPLIES 3.0

Data processing/office/duplicating
 supplies \$500/mo x 6 mos. = 3,000

EQUIPMENT 33.5

Communication:

Phone system = 4,000

Data Processing Equipment:

PCs, system printers, network token rings,
 cabling, network and work stations
 software = 17,000

Furniture/Office equipment:

offices/work stations
 file cabinets, bookcases = 5,500
 Fax machine = 2,500
 Mail Machine/Scale = 3,500

304 58142

Assumptions for AHRIC Fiscal Notes:

- Each department with a seat on the AHRIC contributes to the cost of administering the council.
- The primary sources of funding and staff will be the JTC and GCOVE, which the AHRIC replaces.
- The STEP program will cover the cost of the executive director for at least the first year.
- The rest of the cost is shared among the departments on a proportionate basis according to how much each department spends on activities likely to be associated with the AHRIC.
- The University's share will be made up from the School to Work Program.
- The FY 96 fiscal note assumes sunset of the JTC and GCOVE on January 1, 1996 and one half year of interagency transfers to Governor's Office.
- Departments may contribute in kind services such as research or administrative assistance to make up their share.
- Once the legislation is passed, memorandums of agreement will be signed between the departments and Governor's Office detailing cost sharing arrangements.
- It is very likely that within the next two years the AHRIC will administer block grants for workforce development from the federal government and distribute funds back to the departments - thus out year fiscal notes are highly speculative.
- Formation of the AHRIC within the Governor's Office is only the first step in a comprehensive long-term workforce development effort.

4064

20142

April 25, 1995

TO: SENATOR RICK HALFORD

FROM: DAVE REES
AJTC
ALYESKA

SUBJECT: SB 142 HEARING
SENATE FINANCE COMMITTEE
4/25/95

Rick: I am out of town and range of the LIOs so I thought I'd just pass this note along. Most of the testimony I would have made is what I covered two weeks ago in Eagle River. The philosophical basics are covered in the attached but a few bullet points on the value of the HRIC concept are:

- \$800 Million in wages was paid out in 1994 to people living outside of Alaska. (AK DOL reports)
- \$40-50 Million per year in Federal & State training & employment grants is spread out in various programs across 7 agencies.
- 65,000 people in Alaska on welfare with good job training could enter the job markets if targeted toward long-term jobs.
- Closing plants (like Sitka- 300 jobs) & downsizing industry (like Oil - 1000+ jobs) will continue but dislocated workers can move to new or emerging economies with good retraining programs.
- Block grants will provide less money but less strings and absorbed costs: someone will have to decide where dollars go, who delivers, etc.

This bill has already cleared Randy's State Affairs Committee and has no fiscal notes attached to it, since the funding is from the Federal grants or the STEP administration. It seems that this would be appropriate to consider waiving through to help ensure an "early" passage in the Senate.

Thanks
Dave

Post-it® brand fax transmittal memo X27		# of pages = 2	
To: Sen. Rick Halford	From: Dave Rees		
Attn: John Swartz	Attn: Alaska - State Grants		
Dept:	Phone: 278-1411 x 4179		
Fax: 465-4928	Fax: 659-2940		

SB 142 / HB 280

"The Alaska Human Resource Investment" Policy Bill

The bill:

- Creates a Council based on a workforce development policy: recognizes the connection between human resource development and economic development.
- Prepares Alaska for the on-coming changes in Federal block grants for employment and training, as well as an opportunity to provide a more focused and coordinated approach to our State programs.
- Puts an advisory body in place at the Governor's shoulder to marshal our programs and our available resources to get people into the workforce.
- Focuses on the "seamless" approach to workforce preparation, whether it's the school-to-work transition, the welfare-to-work entry or retraining of a changing workforce.
- Provides a Council with over-sight and guidance to look across the economy, that firms programs that aren't targeted, that assures that Alaskans are not behind the curve for new jobs in new or changing markets.
- Establishes a private-sector dominated council to assure that the workforce preparation is real, and is being systematically prepared for jobs that exist when people are trained.

The first three councils to be merged are the Alaska Job Training Council, the Governor's State Council on Vocational Education, and the Employment Securities Council. While each of these groups have done well in carrying out both the Federal mandates that established them, as well as the State directives from the Governor or the cabinet, there has never been a broad-based council that looks across the employment, education and job-training activities of the State and its institutions. Several states now have these HRICs and are finding the payoffs from having this broader role: more efficiencies, less redundancy and a bigger bang for the buck.

We need a reality-based, systematic way to prepare our Alaskan workforce, to assure that Alaskans get Alaskan jobs, that we have the workforce to support and entice economic development. If we can be better at engaging people in the process of preparing for work, we will solve many of our problems of welfare, crime and prisons, and put more control of Alaska in the hands of Alaskans.

Please support these bills. The AHRIC will get us started.

ALASKA HUMAN RESOURCE INVESTMENT COUNCIL

SECTIONAL ANALYSIS

Section 1 of this bill sets out the legislative findings and the purpose for formulating the AHRIC. The findings specifically address the importance of developing an integrated strategic planning process to look at the state's myriad training and educational programs in order to promote a most effective Alaskan work force that is prepared for Alaskan jobs.

Section 2 directs the state Board of Education to consider the advice of the AHRIC regarding employment training needs and to advise the AHRIC in the development of vocational education programs. Section 3 makes a member of AHRIC a member of the Alaska Commission on Postsecondary Education, replacing a member of the Council on Vocational Education. The latter council, which is not created in state law, will be dissolved by governor's administrative order. Section 4 includes the AHRIC as a state board or commission whose membership is subject to the conflict of interest reporting requirements of AS 39.50.

Section 5 establishes the AHRIC in the Office of the Governor and sets out the membership of the council. Membership will be reduced from 38 today to at least 23, and up to 26, representatives from state agencies, education, labor, industry, community organizations, and at least one representative with a knowledge of developmental disabilities. One to four additional, undesignated positions are provided to assure a private sector majority on the council and to assure regional and local representation. The lieutenant governor and specified commissioners are members of the council. The governor would appoint the other members of the council, who would serve for staggered four-year terms. Additional nonvoting members could be appointed to the council. The governor is to ensure that the individuals appointed to the council have the expertise needed to perform the functions of the council.

Section 5 also establishes the AHRIC as the state planning and coordinating entity for certain state programs that are administered under a number of federal provisions. The functions of the AHRIC would include the facilitation of statewide human resources planning and the coordination of employment training and education programs. The AHRIC would assume the duties and functions of the state councils that currently direct or advise the agencies that operate the federal programs. The AHRIC also would submit a biennial strategic plan to the governor and the legislature and monitor the implementation of the strategic plan. Subject to legislative appropriation, the budget for the council is to be drawn from money available to the programs that are coordinated by the council.

Sections 6 through 15 provide statutory and session law changes for consistency with the shift of responsibilities to the AHRIC, including deletion of references to the State Job Training Coordinating Council. Section 15 would repeal statutory provisions that establish or refer to the Employment Security Advisory Council. Under sec. 22, the repeal would take effect January 1, 1996, after a transition period under sec. 16 during which functions will be transferred to the AHRIC. Other councils whose duties or functions are to be assumed by the AHRIC, including the State Job Training Coordinating Council, would be dissolved by administrative order as of January 1, 1996, since they are not established in state statute.

As set out in sec. 16, during the transition period the boards and councils that oversee the federal and state program functions that would be assumed by the AHRIC would hold joint meetings to facilitate the transfer of duties. As specified in sec. 20, the transition provisions have an immediate effective date. Under sec. 21, the statutory provisions creating and transferring functions to the AHRIC take effect July 1, 1995. During this year of transition existing councils and commissions will continue to provide for the requirements of existing Federal accounting and reporting requirements in order to maximize our program revenues. In addition they will plan an orderly sunset of their responsibilities and empower the AHRIC to assume their duties with an effective date no later than July 1, 1996.

Sections 18 and 19 set out two reporting requirements that would constitute the immediate tasks of the AHRIC. One report is to address the consolidation of state human resources programs and the other is to make recommendations on the role that the private industry councils, created under the federal Job Training Partnership Act, may play in the alliance of human resource programs. Both reports are to be prepared and submitted no later than July 1, 1996.

TONY KNOWLES
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

142
P O Box 110001
Juneau, Alaska 99811 0001
(907) 461-3500
Fax (907) 461-3532

March 24, 1995

The Honorable Drue Pearce
President of the Senate
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear President Pearce:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that will establish the Alaska Human Resource Investment Council as the lead state entity to plan and coordinate federal, state, and local employment training and human resource programs. This bill consolidates the functions of three existing councils and commissions into a single council located in the Governor's office to provide coordinated oversight of job training programs throughout the state to ensure effective training that leads to employment of Alaskans.

This bill designs the Alaska Human Resource Investment Council (AHRIC) to meet the federal statutory requirements for a consolidated human resource investment council and is in response to anticipated changes that include the lump sum, block grant funding scenario presently being proposed in Congress. Twenty-one states have currently taken advantage of this option created under Title VII of the 1992 Job Training Partnership Act. It maximizes federal funds and avoids duplication of effort.

The consolidation will increase efficiency and effectiveness of job training and vocational education efforts within the state by combining the existing staff and board members of the State Job Training Coordinating Council, the Employment Security Advisory Council and the Governor's Council on Vocational Education. It reduces the current roster of 38 board and commission members to a maximum of 26. This bill also envisions a key staff position to oversee the development of a collaborative strategic plan, facilitate the transitional phase of the consolidation of the boards, and effect the merging of staff responsibilities in anticipation of major revisions in the Federal funding mechanisms for job training and vocational education.

The Honorable Drue Pearce

March 24, 1995

Page 2

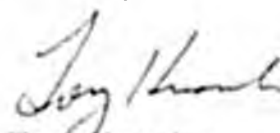
This legislation will provide an economy of scale for the many advisory and oversight groups presently involved in job training, adult, and vocational education; eliminate state agency overlap in planning and data collection; increase the efficiency and effectiveness of existing training programs to meet the changing needs of Alaskan employers through private sector involvement; better prepare Alaskan workers for Alaskan jobs with targeted training programs and recommend policy incentives for employers to seek out and hire Alaskan workers. In addition, the AHRIC will use its resources to open more opportunities for self-sufficiency to those Alaskan families presently receiving Aid to Families with Dependent Children in order to achieve our goal of putting our citizens presently receiving benefits back into the workforce with good jobs in the shortest time possible.

The council will be made up of at least 15 percent representation from education, 15 percent representation from industry, and 15 percent representation from labor, as well as other representation that will bring valuable input to the human resources strategic planning process. The bill also dictates that a private sector majority will sit on this board to insure that employers and labor have dynamic involvement in designing effective programs.

A full year of transition is proposed to insure the orderly transfer of functions from existing councils and commissions to AHRIC. The councils and their volunteer members will plan an orderly consolidation and contribute to the development of a long range strategic plan. The Governor's Office staff member will compile and facilitate this development. Thirteen additional state and federal programs may be considered during this period for inclusion under the advisory provisions of AHRIC.

Enactment of this bill would enable the state to promote an efficient, effective, and integrated system of employment education and training programs and services. I urge your support of the bill.

Sincerely,



Tony Knowles
Governor

SUMMARY OF FISCAL NOTES

SB 142

NUMBER	DEPARTMENT	DATE	AMOUNT
1	University of Alaska	3/20/95	-0-
2	DOE	3/20/95	-0-
3	DC&RA	3/20/95	-0-
4	DOL	3/17/95	-0-
5	DH&SS	3/17/95	-0-
6	DC&ED	3/17/95	-0-
7	OFFICE OF THE GOVERNOR	3/23/95	309.6

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 3/28/95

FURTHER: Finance

Date of 5-Day Notice: 4/6/95
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 4-21-95

State Affairs Committee considered SB 142

Establishing the Alaska Human Resource Investment Council; etd.

for

Finance

and recommends:

- be replaced with CS SB 142 (STA)
- adopt previous CS
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:
 - same title
 - new title
- House Bill:
 - same title
 - technical title
 - new: SCR# _____

SIGNING <u>DU PASS</u>	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
CHAIR: <i>[Signature]</i>	✓				

PREVIOUS FISCAL NOTE(S): *F196*

Department	Date	Zero	Fiscal
GOV	3/23		309.6
DCFD	3/17	✓	
OHSS	3/17	✓	
LABOR	3/17	✓	
DCRA	3/20	✓	
DOE	3/20	✓	
U of A	3/20	✓	

APPROPRIATION -- no fiscal note

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal

*include fiscal notes accompanying Governor's bill

SB

143

SFIN

FILE

FISCAL NOTE

No. 1

Bill Version: SB143

(S) Publish Date: 3-27-95

STATE OF ALASKA
1995 LEGISLATIVE SESSION

Revision Date
Financing U of A Maintenance projects through AHFC

Department Affected: University of Alaska
DRU: AU
Component: All

Sponsor
Requestor

COMPONENT SERIAL NO.

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	00	00	00	00	00	00
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	00	00	00	00	00	00

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

REVENUE SOURCE						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)	FY96	FY97	FY98	FY99	FY00	FY01
100 FEDERAL FUNDS						
100 GF MATCH						
100 GENERAL FUND						
100 GF MITA						
OTHER						
TOTAL FUNDING	00	00	00	00	00	00

POSITIONS:	FY96	FY97	FY98	FY99	FY00	FY01
FULL-TIME						
PART-TIME						
TEMPORARY						

Examine of current year impact: None

ANALYSIS (Attach a separate page if necessary)

Prepared by: Wendy Mathews, Budget Analyst Date: 4/1/95
 Location: Statewide Budget Office Date: 3/14/95
 Approved by: Marilyn Barton, Director Date: 3/14/95
 Agency: Statewide Budget Office

Distribution by program: Legislative Finance, Legislative Services, Requestor, OMB, & Impaired Agencies

No. 2

Bill Version: SB 143

(S) Publish Date: 3-27-95

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. HE

Revision Date: _____ Dept. Affected: Revenue
 Title: An Act to provide for the orderly transfer of BRU: Revenue Operations
certain assets of AMFC Component: Treasury Management
 Sponsor: _____
 Requester: _____ COMPONENT SERIAL NO. 121

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	(see note)	(see note)	(see note)	(see note)	(see note)	(see note)
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	00	00	00	00	00	00

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

*002 Federal Receipts						
*003 GF Match						
*004 GF						
*005 GF/Program Receipts						
*006 GF/MMTIA						
Other						
TOTAL	00	00	00	00	00	00

Estimate of any current year (FY95) cost: \$ _____

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

*NOTE: The transfer of funds from AMFC to the General Fund will result in an increase in annual sales/doing fees in the amount of 1 basis point (or .01%) of the amount transferred.

Prepared by: Jeff Martin, Commissioner
 Division: Treasury
 Approved by Commissioner: [Signature]
 Agency: _____

Phone: 465-2350
 Date: 3/20/95
 Date: 3/9/95

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FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. HE

Revision Date: _____ Dept. Affected: Revenue/AHFC
 Title: An Act to provide for the orderly transfer of BRU: _____
certain assets of AHFC and issuance of bonds Component: _____
 Sponsor: _____
 Requester: _____ COMPONENT SERIAL NO. _____

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS - Bond Servicing	3,974.2	3,974.2	3,974.2	3,974.2	3,974.2	3,974.2
MISCELLANEOUS						
TOTAL OPERATING	3,974.2	3,974.2	3,974.2	3,974.2	3,974.2	3,974.2

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

*002 Federal Receipts						
*003 GF Match						
*004 GF						
AHFC Program Receipts	3,974.2	3,974.2	3,974.2	3,974.2	3,974.2	3,974.2
*006 GF M&TIA						
Other						
TOTAL	3,974.2	3,974.2	3,974.2	3,974.2	3,974.2	3,974.2

Estimate of any current year (FY95) cost: \$ _____

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

NOTE: Assumes \$30 million in bonds issued at 5.78% with total payments over 10 years of \$39,741,775. Ten percent is to be held in reserve, 2% is to be used to cover bond issuance costs and the remaining \$26.4 million is to be paid to U of A for their use. Funding source will be from program receipts of AHFC.

As regards Section 2 of this bill, AHFC will not recognize investment income on funds transferred to the General Fund. The amount of these lost earnings cannot be quantified until actual amounts transferred are determined.

Prepared by: Betty Martin, Controller/Betty Martin
 Division: Treasury
 Approved by Commissioner: [Signature]
 Agency: _____

Phone: 465-7350
 Date: 3/20/95
 Date: 3/20/95

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*Draft of April 26, 1995**Draft of April 26, 1995*

**AGREEMENT BETWEEN THE
COMMISSIONER OF REVENUE OF THE STATE OF ALASKA
AND THE ALASKA HOUSING FINANCE CORPORATION**

THIS AGREEMENT, made this 27th day of April, 1995, between the Commissioner of Revenue of the State of Alaska and the Alaska Housing Finance Corporation, a public corporation organized and existing under AS 18.55 and AS 18.56.

RECITALS

1. Legislation has been, or is soon expected to be, enacted by the 19th Legislature, First Session, with respect to amounts to be paid by the Alaska Housing Finance Corporation to the State of Alaska in accordance with the terms of an agreement between the Commissioner of Revenue and the Corporation. This is the Agreement to which said legislation refers.

2. The Corporation and the Commissioner of Revenue have determined that payments by the Corporation to the general fund of the State of Alaska are fixed at a prudent level in accordance with the terms of this agreement.

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

Section 1. On or before January 1 of each of the next succeeding five fiscal years of the State of Alaska, the Corporation shall transfer to the State the following amounts:

- (i) \$70,000,000 - FY 1996;
- (ii) \$50,000,000 - FY 1997;
- (iii) \$50,000,000 - FY 1998;
- (iv) \$50,000,000 - FY 1999, and
- (v) \$50,000,000 - FY 2000.

Section 2. It is anticipated that such amounts will be available for transfer from the net liquid assets of the general account of the revolving fund of the Corporation and that such amounts will be reduced as the board of directors determine necessary to maintain compliance with existing financing agreements and to meet the following payment conditions. The payment conditions are positive determinations made by the corporation board of directors, prior to each transfer, that:

*Draft of April 26, 1995**Draft of April 26, 1995*

- (i) The Corporation is not in default as to payments of any required amounts;
- (ii) The transfer to the state of the payment (a) is not expected to impair the Corporation's ability to meet financial requirements including debt service and program costs associated with debt; (b) will not cause the Corporation to be in default under the terms of financial agreements or disable the Corporation from meeting any financial covenant;
- (iii) The amount of the transfer does not exceed the Corporation's net income as reflected in its audited financial statements for the immediately preceding fiscal year, and
- (iv) The Corporation's fund equity subsequent to the transfer will remain at a level which the board of directors reasonably believes adequate to prevent existing debt ratings from being reduced, withdrawn or suspended.

Section 3. The Corporation does not anticipate that any of the payments provided in Section 1 will not be made because of any failure to meet the provisions of Section 2, provided however, that it is understood and agreed that such conditions must be met by the Corporation before payments are made in any year above.

IN WITNESS WHEREOF, the parties have caused this agreement to be signed this 27th day of April, 1995.

STATE OF ALASKA
COMMISSIONER OF REVENUE

Wilson Condon

ALASKA HOUSING FINANCE CORPORATION

Jewel Jones, Chair

Alaska Housing Finance Corporation
 Financial Operating Plan as of September 30, 1994
 Summary of Changes in Net Unrestricted Assets
 September 30, 1994 THROUGH FY 2004

(In Dollars)

	Fiscal Year Ended June 30,										Total Ten Fiscal Years Activity
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	
Current Unrestricted Assets	615,545	568,344	578,546	575,859	512,976	448,058	388,049	342,541	297,453	242,260	
Due to/from other funds	131,271	106,946	94,792	79,989	77,253	67,885	64,217	63,625	58,551	58,412	
Non-Current Unrestricted Assets	107,249	97,524	88,465	80,689	74,732	69,610	65,886	62,194	59,086	56,321	
Beginning Net Unrestricted Assets	854,066	772,814	761,803	736,537	664,961	585,553	517,952	468,360	415,090	356,993	854,066
Activity Affecting Net Unrestricted Assets:											
Adjustment to Beginning Balance	50,000										50,000
Transfer to State of Alaska	(220,043)	(70,000)	(50,000)	(50,000)	(50,000)	(50,000)	0	0	0	0	(490,043)
Operating Budgets	(1,362)	(1,362)	(1,362)	(1,362)	(1,362)	(1,362)	(1,362)	(1,362)	(1,362)	(1,362)	(13,620)
Family Housing Programs	(52,943)	(56,724)	(53,974)	(53,974)	(53,974)	(53,974)	(53,974)	(53,974)	(53,974)	(53,974)	(541,459)
Collateral Transfers											
For Bonds Issued	(37,076)	(14,259)	(19,398)	(21,632)	(21,373)	(23,360)	(23,841)	(27,649)	(26,086)	(29,448)	(245,072)
From Paid Off Bonds Issues	132,081	26,692	55,973	13,715	9,459	27,577	0	3,871	0	0	269,968
Return of HEBL Escrow	0	54,000	0	0	0	0	0	0	0	0	54,000
Interest earnings on loans & investments	50,129	63,186	43,646	41,827	37,992	33,668	29,736	25,694	23,474	18,943	368,595
Interest paid on short term borrowing	(19,588)	(12,394)	0	0	0	0	0	0	0	0	(31,982)
REO Unreimbursed Expenses	(150)	(150)	(150)	(150)	(150)	(150)	(150)	(150)	(150)	(150)	(1,506)
Adjustments	18,000	0	0	0	0	0	0	0	0	0	18,000
Rounding	(0)	0	(1)	0	(0)	(0)	(1)	0	1	(0)	(1)
Net Change	(81,252)	(11,011)	(25,260)	(71,576)	(79,408)	(67,601)	(49,592)	(53,270)	(58,097)	(65,991)	(503,084)
Ending Net Unrestricted Assets	772,814	761,803	736,537	664,961	585,553	517,952	468,360	415,090	356,993	291,002	291,002
Beginning Net Restricted Assets	897,869	857,036	842,025	855,972	915,247	982,076	1,036,784	1,122,832	1,213,079	1,312,604	897,869
Return on Investment @ 6.00%	53,872	51,422	50,522	51,358	54,915	58,925	62,207	67,370	72,830	78,774	602,203
Net Collateral Transfers	(94,705)	(66,433)	(36,575)	7,917	11,914	(4,217)	23,841	23,778	26,086	29,448	(78,046)
Ending Net Restricted Assets	857,036	842,025	855,972	915,247	982,076	1,036,784	1,122,832	1,213,979	1,312,904	1,421,126	1,421,126
Total Corporate Net Assets	1,629,850	1,603,828	1,592,509	1,580,208	1,567,629	1,554,736	1,591,192	1,629,069	1,669,897	1,712,128	1,712,128

TONY KNOWLES
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

143
P.O. Box 11006
Juneau, Alaska 99811-0006
1907 465 2500
Fax 1907 465 3532

March 24, 1995

The Honorable Drue Pearce
President of the Senate
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear President Pearce

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill regarding the orderly transfer of certain assets of the Alaska Housing Finance Corporation (AHFC) to the general fund. This process will make available to the state a substantial portion of AHFC's reserves while at the same time providing capital markets with the degree of certainty necessary to assure AHFC continued access to money at reasonable rates in order to meet the housing needs of Alaska's families. Additionally, the bill would authorize AHFC to issue bonds to finance student housing maintenance projects at various University of Alaska (university) campuses.

AHFC is a self-supporting public corporation with a mission to develop and implement innovative programs that meet statewide housing needs. It provides home mortgages to Alaskans at reasonable rates, finances special needs and multi-family housing in partnerships with housing agencies and profit and non-profit organizations, and operates the state's rural housing programs. AHFC also operates the state's public housing programs, which include operating public housing units in 13 communities and providing rental assistance for more than 2,400 families statewide.

AHFC leverages its financial resources by borrowing from a variety of lenders to finance various housing programs. Since its inception, AHFC has issued in excess of \$10 billion in long-term debt to meet the residential financing needs of Alaskans. As of December 31, 1994, AHFC had \$2.3 billion in outstanding long-term debt representing a general obligation of AHFC secured by its full faith and credit above and beyond the pledge of any specific assets.

The Honorable Drue Pearce

March 24, 1995

Page 2

AHFC has been able to attract billions in outside capital to meet Alaska's housing needs because the capital markets have relied on its strong financial condition. The importation of outside money to meet Alaska's housing needs is too important to put at risk. Any transfers of corporate assets to the state must take place as part of a comprehensive long-term plan that reassures capital markets of AHFC's continued financial strength. This bill will demonstrate that we are taking a prudent long-term approach to the management of AHFC's resources and will protect AHFC's ability to borrow for essential programs and projects and to address the future housing needs of Alaskans, including the elderly, disadvantaged, and rural residents.

Under the provisions of the bill, AHFC and the commissioner of revenue would enter into an agreement providing for the transfer of a sizeable portion of AHFC's unrestricted reserves to the general fund over the next five fiscal years. This agreement would continue the corporation's policy of providing the people of Alaska with a return on their equity investment in AHFC. Under that policy, adopted in 1991, AHFC will have transferred \$314,324,000 in cash payments to the state by the end of this fiscal year.

The agreement would be signed no later than May 1, 1995 and immediately will be made available to the legislature. It would establish a detailed schedule providing for the transfer of specific amounts to the general fund during each of the next five fiscal years. My state operating budget, which I recently submitted to you, includes an expected first installment under that agreement of \$70 million.

Passage of this bill would ratify the transfer agreement soon to be reached, and would pledge that the state will not transfer assets from AHFC in amounts that exceed those set out in the transfer agreement. This would assure lenders that payments to the state over the next five fiscal years would take place in a prudent and predictable manner.

Maintaining the credit of the AHFC will increase Alaskans' access to the nation's capital markets to help meet certain special and crucial housing needs. As stated above, the purpose of this bill is to provide the kind of long-range financial stability and predictability necessary to protect the credit of the AHFC. There may be other avenues available to establish a suitable long-range plan for managing the assets of the AHFC. I know that the legislature will be particularly sensitive to any provisions which appear to invade the appropriation powers and responsibilities of the legislature. If the approach taken in this bill does not meet with your approval, I am open to any constructive alternatives that will preserve the programs of the AHFC.

The Honorable Drue Pearce

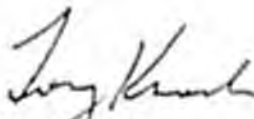
March 24, 1995

Page 3

Finally, the bill is part of my plan to begin addressing the long-deferred maintenance needs of the university. It will provide financing for overdue and much needed repair and rehabilitation of student housing facilities at the university's three main campuses. The bill authorizes AHFC to issue \$30,000,000 in bonds to finance this project. Under AS 18.56, these bonds are general obligations of the corporation.

I urge your early and favorable consideration of this legislation or a suitable alternative.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tony Knowles".

Tony Knowles
Governor

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 3/23/95

FURTHER: Finance

Date of 5-Day Notice: 4/13/95
 (in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 4-26-95

State Affairs Committee considered SB 143

Ratifying an agreement between the Alaska Housing Finance Corporation and the commissioner of revenue; issuance of bonds to pay for the costs of repair and rehabilitation of student housing facilities of the University of Alaska; efd.

Est + Bonds

and recommends:

- be replaced with _____ CS _____
- adopt previous _____ CS _____
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:
 - same title
 - new title
- House Bill:
 - same title
 - technical title
 - new: SCR# _____

SIGNING TO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	<input checked="" type="checkbox"/>	<i>COPIES & RECO A</i>	<input checked="" type="checkbox"/>		
		<i>Form A Review</i>	<input checked="" type="checkbox"/>		
		<i>[Signature]</i>			
CHAIR:		<i>Shay</i>	<input checked="" type="checkbox"/>		

NEW FISCAL NOTE(S): *5/96*

Department	Date	Zero	Fiscal
<i>REV / DMSG</i>	<i>3/30</i>		<i>2,111.2</i>
<i>REV / DMR</i>	<i>3/30</i>	<input checked="" type="checkbox"/>	
<i>U.S. A</i>	<i>3/14</i>	<input checked="" type="checkbox"/>	

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill