

**ALASKA LEGISLATURE**

**1919**

**HOUSE and SENATE FINANCE COMMITTEE FILES, 1999 - 2000**

1 information required by the department for the preparation of the statistical information  
2 necessary for the council to evaluate programs by the standards set out in (e) of this  
3 section.

4 (e) The council shall develop standards that encourage agencies to contract for  
5 training programs that maximize the program's class size. The council shall adopt  
6 standards for the evaluation of training programs listed in (f) of this section with regard  
7 to the following:

8 (1) the percent of former participants who have a job one year after  
9 leaving the training program;

10 (2) the median wage of former participants seven to 12 months after  
11 leaving the program;

12 (3) the percent of former participants who were employed after leaving  
13 the training program who received training under the program that was related to their  
14 jobs or somewhat related to their jobs seven to 12 months after leaving the training  
15 program;

16 (4) the percent of former participants of a training program who indicate  
17 that they were satisfied with or somewhat satisfied with the overall quality of the  
18 training program;

19 (5) the percent of employers who indicate that they were satisfied with  
20 the quality of the work of new employees who had recently completed the training  
21 program.

22 (f) The following training programs are subject to the provisions of (d) and (e)  
23 of this section:

24 (1) in the Department of Labor and Workforce Development or operated  
25 by the department:

26 (A) One Stop Career Center;

27 (B) Job Training Partnership Act programs under 29 U.S.C. 1501  
28 - 1792b, assisting communities in moving toward a self-sustainable economy and  
29 providing training;

30 (C) state training and employment program (AS 23.15.620),  
31 providing training and employment services for people who are unemployed or  
32 likely to become unemployed, fostering new jobs, and increasing training

- 1 opportunities for workers severely affected by fluctuations in the state economy  
2 or adversely affected by technology advances in the workplace;
- 3 (D) employment-related adult basic education;
- 4 (E) School-to-Work;
- 5 (F) employment training services operated as part of the Alaska  
6 Temporary Assistance Program (ATAP);
- 7 (G) unemployment insurance grants provided under the federal  
8 training relocation assistance program;
- 9 (H) Alaska works programs, assisting with the welfare-to-work  
10 program;
- 11 (I) state training and employment program, coordinated with the  
12 Department of Community and Economic Development;
- 13 (2) in the Department of Education and Child Development or operated  
14 by the department, the non-public-school portions of the following programs:
- 15 (A) high school completion project;
- 16 (B) Kotzebue Technical Center;
- 17 (C) Alaska Vocational Technical Center;
- 18 (D) vocational education and Tech Prep;
- 19 (E) Alaska Career Information System.
- 20 (g) The council shall assess the programs listed in this subsection and make  
21 recommendations to the legislature in its report required under (b)(9) of this section  
22 about whether to include one or more of these programs under the requirements of (f)  
23 of this section:
- 24 (1) in the Department of Community and Economic Development or  
25 operated by the department:
- 26 (A) local government assistance training and development,  
27 including the rural utility business advisory program;
- 28 (B) energy operations, providing training in management and  
29 administration of electric utilities and bulk fuel storage systems;
- 30 (2) in the Department of Corrections:
- 31 (A) Correctional Academy, training individuals applying for a  
32 correctional officer position;

1 (B) inmate programs, providing vocational technical training and  
2 education courses for inmates preparing to be released from a correctional  
3 facility;

4 (C) correctional industries program, providing inmates with jobs  
5 while they are incarcerated;

6 (3) in the Department of Environmental Conservation:

7 (A) remote maintenance worker program, providing training and  
8 technical assistance to communities to keep drinking water and sewage disposal  
9 systems running, and providing on-the-job training to local operators;

10 (B) water and wastewater operator training and assistance;

11 (C) federal drinking water operator training and certification;

12 (4) in the Department of Military and Veterans' Affairs: educational  
13 benefits for members of the Alaska National Guard and the Alaska Naval Militia;

14 (5) in the Department of Public Safety:

15 (A) fire service training to maintain emergency training skills for  
16 existing fire fighter staff and volunteers and individuals interested in becoming  
17 fire fighters;

18 (B) Public Safety Training Academy, training trooper recruits;

19 (6) in the Department of Transportation and Public Facilities:

20 (A) engineer-in-training program, providing on-the-job training  
21 for apprentice engineers to enable them to gain the experience necessary to be  
22 certified;

23 (B) statewide transportation improvement program, offered by the  
24 United States National Highway Institute;

25 (C) local technical assistance program, transferring technical  
26 expertise to local governments;

27 (D) Native technical assistance program, transferring technical  
28 expertise to Native governments;

29 (E) border technology exchange program, to coordinate highway  
30 issues with the Yukon Territory;

31 (7) in the Department of Labor and Workforce Development: vocational  
32 rehabilitation client services and special work projects, employment services, including

1 job development, assisting individuals in finding employment, and assisting employed  
2 individuals in finding other employment;

3 (8) in the Department of Administration: Alaska Professional  
4 Development Institute, providing continuing education and training for employed  
5 workers.

6 (h) The University of Alaska shall evaluate the performance of its training  
7 programs using the standards set out in (e) of this section and shall provide a report on  
8 the results to the council for inclusion in the council's annual report to the legislature.

9 (i) The council shall review each program listed in (f) of this section to  
10 determine whether it is in compliance with the standards set out in (d) and (e) of this  
11 section. If the council finds that a program has failed to comply with the standards set  
12 out in (d) and (e) of this section, it shall notify the program director of the failure. If  
13 the program director fails to improve the performance of the program within a  
14 reasonable time, the council shall notify the governor and the legislative budget and  
15 audit committee that the program is out of compliance. A contract entered into by a  
16 state agency relating to a training program set out in (f) of this section must contain  
17 terms consistent with this section.

18 (j) A department that operates or contracts for a training program listed in (f)  
19 of this section shall pay to the council a management assessment fee not to exceed .75  
20 percent of the program's annual operating budget. The total amount received as  
21 management assessment fees may not exceed the council's authorized budget for the  
22 fiscal year. The council shall, by regulation, establish a method to determine annually  
23 the amount of the management assessment fee. If the amount the council expects to  
24 collect under this subsection exceeds the authorized budget of the council, the council  
25 shall reduce the percentages set out in this subsection so that the total amount of the fees  
26 collected approximately equals the authorized budget of the council for the fiscal year.  
27 The council shall adopt regulations under AS 44.62 (Administrative Procedure Act)  
28 necessary to administer this subsection.

29 (k) Upon the enactment of a new federal or state program relating to work force  
30 development, the council shall

31 (1) advise the governor and the legislature on whether the council should  
32 provide oversight for the new program under this section; and

1 (2) make recommendations necessary to streamline and coordinate state  
2 efforts to meet the guidelines of the new program.

3 (l) For purposes of this section, "program"

4 (1) does not refer to the overall activities of an individual institution or  
5 individual fields of study or courses that are not associated with programs for which the  
6 council has oversight responsibility;

7 (2) may include a certificate or associate degree course or a course that  
8 is not for credit, whether it is offered by a public or private institute or contracted for  
9 by the private sector, so long as it is related to employment.

10 **Sec. 23.15.585. Administration.** (a) The department shall provide professional,  
11 technical, and administrative staff for the Alaska Human Resource Investment Council.

12 (b) Subject to legislative appropriations, and in accordance with AS 37.07  
13 (Executive Budget Act), the council's budget is funded from programs for which the  
14 council is the lead state planning and coordinating entity under AS 23.15.575.

15 \* **Sec. 19.** AS 23.15.645(b) is amended to read:

16 (b) When a grant is awarded to the council, the department shall annually  
17 provide to the council a priority list of targeted projects or services, based on  
18 unemployment statistics, unemployment insurance claims, occupational and industrial  
19 projections, availability of other training and employment programs, and other relevant  
20 data. The department shall also provide annually to the council a priority list of criteria  
21 for eligibility to maximize services to those people most in need of training under  
22 AS 23.15.620 - 23.15.660. In developing the priority list for targeted projects and  
23 services, the department shall solicit comments from the [DEPARTMENT OF  
24 COMMUNITY AND REGIONAL AFFAIRS,] Department of Education and Child  
25 Development, the [,] Department of Community [COMMERCE] and Economic  
26 Development, the University of Alaska, organized labor, the council, and the  
27 administrative entities of the substate service delivery areas established for the council.  
28 The department shall give preference to projects and services that train individuals in  
29 industries identified in the resident hire report required under AS 36.10.130 as  
30 employing a disproportionate percentage of nonresident individuals.

31 \* **Sec. 20.** AS 23.15.660(1) is amended to read:

32 (1) "council" means the Alaska Human Resource Investment Council

1 established in AS 23.15.550 [AS 44.19.620];

2 \* **Sec. 21.** AS 23.20.110(a) is amended to read:

3 (a) Except as provided in (h) and (i) of this section, the department shall hold  
4 information obtained from an employing unit or individual in the course of administering  
5 this chapter and determinations as to the benefit rights of an individual confidential and  
6 may not disclose them or open them to public inspection in a manner that reveals the  
7 identity of the individual or employing unit. A claimant or an employing unit, or the  
8 legal representative of the claimant or the employing unit, is entitled to information from  
9 the records of the department to the extent necessary to properly present or protest a  
10 claim or determination under this chapter. Subject to restrictions that the department  
11 prescribes by regulation, the information may be made available to an agency of this  
12 state or another state or federal agency charged with the administration of an  
13 unemployment compensation law or the maintenance of a system of public employment  
14 offices, or, for the purposes of the Federal Unemployment Tax Act, to the Internal  
15 Revenue Service of the United States, or, for tax purposes, to the Department of  
16 Revenue. Information obtained in the course of administering this chapter or in  
17 connection with the administration of the employment service may be made available  
18 to persons or agencies for purposes appropriate to the operation of a public employment  
19 service or the administration of employment and training programs planned or  
20 coordinated by the Alaska Human Resource Investment Council under AS 23.15.550 -  
21 23.15.585 [AS 44.19.620 - 44.19.627].

22 \* **Sec. 22.** AS 29.06.040(c) is amended to read:

23 (c) In addition to the regulations governing annexation by local action adopted  
24 under AS 44.33.812 [AS 44.47.567], the Local Boundary Commission shall establish  
25 procedures for annexation and detachment of territory by municipalities by local action.  
26 The procedures established under this subsection must include a provision that

27 (1) a proposed annexation and detachment must be approved by a  
28 majority of votes on the question cast by voters residing in the area proposed to be  
29 annexed or detached;

30 (2) municipally owned property adjoining the municipality may be  
31 annexed by ordinance without voter approval; and

32 (3) an area adjoining the municipality may be annexed by ordinance

1 without an election if all property owners and voters in the area petition the governing  
2 body.

3 \* Sec. 23. AS 29.60.599(9) is amended to read:

4 (9) "village" means a place within the unorganized borough or within a  
5 borough if the power, function, or service for which a grant application is submitted  
6 under AS 29.60.500 - 29.60.599 is not exercised or provided by the borough on an  
7 areawide or nonareawide basis at the time the grant application is submitted, that

8 (A) has irrevocably waived, in a form approved by the  
9 Department of Law, any claim of sovereign immunity that might arise in  
10 connection with the use of grant money under this chapter; and

11 (B) has

12 (i) a council organized under 25 U.S.C. 476 (sec. 16 of  
13 the Indian Reorganization Act);

14 (ii) a traditional village council recognized by the United  
15 States as eligible for federal aid to Indians; or

16 (iii) a council recognized by the commissioner under  
17 regulations adopted by the department to determine and give official  
18 recognition of village entities under AS 44.33.755(b) [AS 44.47.150(b)].

19 \* Sec. 24. AS 29.65.060(f) is amended to read:

20 (f) For purposes of determining the per capita entitlement under (a) of this  
21 section, the population of a municipality shall be the population determined by the  
22 former commissioner of community and regional affairs under former AS 43.18.010  
23 for the program year beginning July 1, 1978, for a municipality whose entitlement was  
24 determined under former AS 29.18.201 or 29.18.202.

25 \* Sec. 25. AS 30.13.010(a) is amended to read:

26 (a) The residents of each area of the state within the boundaries of a regional  
27 housing authority established under AS 18.55.996 ~~that~~ [WHICH] is located in whole or  
28 in part in the unorganized borough of the state may create a public body corporate and  
29 politic under the name and style of the "Resource Development Authority" with all or  
30 any significant part of the name of the region of the state inserted. The boundaries of  
31 the authority created shall be coterminous with the portion of the applicable regional  
32 housing authority that lies in the unorganized borough. Creation of an authority is

1 initiated by a petition filed with the Department of Community and Economic  
2 Development [REGIONAL AFFAIRS] and a statement submitted to the governor. The  
3 petition must include the proposed name of the authority, its boundaries, and a statement  
4 of the facilities proposed to be provided by the authority. The petition must be signed  
5 by 15 percent of the total number of residents in the portion of the applicable regional  
6 housing authority that lies in the unorganized borough who cast votes in the preceding  
7 general election. The Department of Community and Economic Development  
8 [REGIONAL AFFAIRS] shall review petitions for content and signatures. If the  
9 department determines that the petition is adequate, it shall transmit the petition to the  
10 director of elections.

11 \* Sec. 26. AS 36.30.170(g) is amended to read:

12 (g) The division of vocational rehabilitation in the Department of Labor and  
13 Workforce Development [EDUCATION] shall add to its current list of qualified  
14 employment programs a list of individuals who qualify as persons with a disability under  
15 (e) of this section and of persons who qualify under (f) of this section as employers with  
16 50 percent or more of their employees being persons with disabilities. A person must  
17 be on this list at the time the bid is opened in order to qualify for a preference under (e)  
18 or (f) of this section.

19 \* Sec. 27. AS 36.30.850(b)(11) is amended to read:

20 (11) agreements with providers of services under AS 14.38.100  
21 [AS 44.47.250]; AS 47.07; AS 47.08; AS 47.10; 47.17; AS 47.24; and AS 47.27,  
22 including contractors under AS 47.27.050;

23 \* Sec. 28. AS 36.30.850(b)(30) is amended to read:

24 (30) contracts entered into with a regional development organization; in  
25 this paragraph, "regional development organization" has the meaning given in  
26 AS 44.33.895 [AS 44.47.900];

27 \* Sec. 29. AS 37.05.315(a) is amended to read:

28 (a) When an amount is appropriated or allocated as a grant to a municipality,  
29 the Department of Community and Economic Development [ADMINISTRATION]  
30 shall promptly notify the municipality of the availability of the grant. When the  
31 Department of Community and Economic Development [ADMINISTRATION]  
32 receives an agreement executed by the municipality that [WHICH] provides that the

1 municipality (1) will spend the grant for the purposes specified in the appropriation or  
2 allocation; (2) will allow, on request, an audit by the state of the uses made of the grant;  
3 and (3) assures that, to the extent consistent with the purpose of the appropriation or  
4 allocation, the facilities and services provided with the grant will be available for the use  
5 of the general public, the Department of Community and Economic Development  
6 [ADMINISTRATION] shall pay the grant directly to the municipality. The agreement  
7 executed by a municipality under this section shall be on a form furnished by the  
8 Department of Community and Economic Development [ADMINISTRATION] and  
9 shall be executed within 60 days after the effective date of the appropriation or  
10 allocation.

11 \* **Sec. 30.** AS 37.05.315(d) is amended to read:

12 (d) Not less than 20 percent of a grant shall be paid to a municipality within 10  
13 days of the effective date of the agreement under (a) of this section. The remainder of  
14 the grant shall be paid either in monthly installments equal to the amount of grant  
15 money the municipality expended in the previous month or in a lump sum as determined  
16 by the Department of Community and Economic Development [ADMINISTRATION].

17 \* **Sec. 31.** AS 37.06.010(j) is amended to read:

18 (j) In this section, unless specified otherwise, "department" means the  
19 Department of Community and Economic Development [ADMINISTRATION].

20 \* **Sec. 32.** AS 37.06.020(i) is amended to read:

21 (i) The limitations of AS 44.33.745 [AS 44.47.140] do not apply to a grant  
22 made under this section.

23 \* **Sec. 33.** AS 37.06.040 is amended to read:

24 **Sec. 37.06.040. Municipalities organized under federal law.** An entity  
25 organized under federal law as an Indian reserve that existed before enactment of 43  
26 U.S.C. 1618(a) and is continued in existence under that subsection is a municipality for  
27 purposes of AS 37.06.010 - 37.06.090 and may not receive a grant under AS 37.06.020.  
28 In addition to other eligibility requirements applicable to municipalities, to qualify to  
29 receive a grant under AS 37.06.010, a municipality organized under federal law as an  
30 Indian reserve shall form a community development corporation with authority to  
31 determine how the grant money will be used. The corporation's charter must require that  
32 the governing board of the corporation shall be elected at an annual election open to all

1 residents of the municipality who are registered and qualified to vote in state elections.  
2 The Department of Community and Economic Development [ADMINISTRATION]  
3 may distribute money for the municipality only to a corporation organized in accordance  
4 with this section and only after the corporation has delivered a written waiver of  
5 sovereign immunity from legal action by the state to recover all or a portion of the  
6 money distributed under AS 37.06.010.

7 \* Sec. 34. AS 37.06.080 is amended to read:

8 Sec. 37.06.080. Adoption of regulations. The Department of Community and  
9 Economic Development [ADMINISTRATION FOR GRANTS UNDER AS 37.06.010  
10 AND THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS FOR  
11 GRANTS UNDER AS 37.06.020]

12 (1) may adopt regulations that impose additional requirements or  
13 procedures to implement, interpret, make specific, or otherwise carry out the  
14 [APPLICABLE] provisions of this chapter [FOR GRANTS ADMINISTERED BY THE  
15 DEPARTMENT];

16 (2) shall adopt regulations providing for periodic audits of the use of  
17 money for grants [ADMINISTERED BY THE DEPARTMENT] under this chapter,  
18 including audit of the department's determination of the value of, and adequacy of the  
19 verification of the actual use of, locally funded or contributed labor on projects funded  
20 by a grant under this chapter.

21 \* Sec. 35. AS 38.06.025(a) is amended to read:

22 (a) The board consists of the commissioner of community [COMMERCE] and  
23 economic development; the commissioner of revenue [COMMUNITY AND  
24 REGIONAL AFFAIRS]; the commissioner of natural resources, who is a nonvoting  
25 member; and five public members.

26 \* Sec. 36. AS 39.25.120(c)(15) is amended to read:

27 (15) [THE DEPUTY DIRECTOR OF THE DIVISION OF TOURISM  
28 AND] the deputy director of the division of insurance in the Department of Community  
29 [COMMERCE] and Economic Development;

30 \* Sec. 37. AS 39.25.158(b) is amended to read:

31 (b) After an employee requests to return to work, the reemployment benefits  
32 administrator of the division of workers' compensation or the director of vocational

1 rehabilitation in the Department of Labor and Workforce Development  
2 [EDUCATION] shall review the request and certify that the employee is able to return  
3 to work under (c), (d), (e), or (f) of this section, or defer certification until the employee  
4 completes retraining under (f) of this section.

5 \* Sec. 38. AS 39.50.200(b)(18) is amended to read:

6 (18) Local Boundary Commission (AS 44.33.810 [AS 44.47.565]);

7 \* Sec. 39. AS 39.50.200(b)(55) is amended to read:

8 (55) Alaska Human Resource Investment Council (AS 23.15.550)  
9 [(AS 44.19.620)].

10 \* Sec. 40. AS 42.45.060(a) is amended to read:

11 (a) A loan committee consisting of six [SEVEN] members is established. The  
12 committee is composed of [THE COMMISSIONER OF COMMUNITY AND  
13 REGIONAL AFFAIRS,] the commissioner of community [COMMERCE] and economic  
14 development, the director of management and budget, or the designees of the  
15 commissioners or the director, and four public members.

16 \* Sec. 41. AS 44.19.145(a) is amended to read:

17 (a) The office shall

18 (1) provide technical assistance to the governor and the legislature in  
19 identifying long range goals and objectives for the state and its political subdivisions;

20 (2) prepare and maintain a state comprehensive development plan;

21 (3) provide information and assistance to state agencies to aid in  
22 governmental coordination and unity in the preparation of agency plans and programs;

23 (4) review planning within state government as may be necessary for  
24 receipt of federal, state, or other funds;

25 (5) participate with other countries, provinces, states, or subdivisions of  
26 them in international or interstate planning, and assist the state's local governments,  
27 governmental conferences, and councils in planning and coordinating their activities;

28 (6) encourage educational and research programs that further state  
29 planning and development, and provide administrative and technical services for them;

30 (7) publish [SUCH] statistical information or other documentary material  
31 that [AS] will further the provisions and intent of AS 44.19.141 - 44.19.152;

32 (8) assist the governor and the Department of Community and Economic

1        **Development** [REGIONAL AFFAIRS] in coordinating state agency activities that have  
2        an effect on the solution of local and regional development problems;

3                (9) serve as a clearinghouse for information, data, and other materials  
4        that may be helpful or necessary to federal, state, or local governmental agencies in  
5        discharging their respective responsibilities or in obtaining federal or state financial or  
6        technical assistance;

7                (10) review all proposals for the location of capital improvements by any  
8        state agency and advise and make recommendations concerning location of these capital  
9        improvements;

10               (11) render, on behalf of the state, all federal consistency determinations  
11        and certifications authorized by 16 U.S.C. 1456 (Sec. 307, Coastal Zone Management  
12        Act of 1972), and each conclusive state consistency determination when a project  
13        requires a permit, lease, or authorization from two or more state resource agencies.

14        \* **Sec. 42.** AS 44.19.155(a) is amended to read:

15               (a) There is created in the Office of the Governor the Alaska Coastal Policy  
16        Council. The council consists of the following:

17               (1) nine public members appointed by the governor from a list comprised  
18        of at least three names from each region, nominated by the municipalities of each  
19        region; the nominees shall be the mayor or member of the assembly or council of a  
20        municipality; one public member shall be appointed from each of the following general  
21        regions:

22                (A) northwest Alaska, including, generally, the area of the North  
23        Slope Borough and the Northwest Arctic **borough** [REGIONAL  
24        EDUCATIONAL ATTENDANCE AREA];

25                (B) Bering Straits, including, generally, the area of the Bering  
26        Straits regional educational attendance area;

27                (C) southwest Alaska, including, generally, the area within the  
28        Lower Yukon, Lower Kuskokwim, **and** Southwest [, AND LAKE &  
29        PENINSULA] regional educational attendance areas and the **Lake and**  
30        **Peninsula and** Bristol Bay **Boroughs** [BOROUGH];

31                (D) Kodiak-Aleutians, including the area of the Kodiak Island  
32        **and Aleutian East Borough** [BOROUGH] and the Aleutian, Adak and Pribilof

1 regional educational attendance areas;

2 (E) Upper Cook Inlet, including the Municipality of Anchorage  
3 and the Matanuska-Susitna Borough;

4 (F) Lower Cook Inlet, including, generally, the area within the  
5 Kenai Peninsula Borough;

6 (G) Prince William Sound, including, generally, the area east of  
7 the Kenai Peninsula Borough to 141 W. longitude;

8 (H) northern Southeast Alaska, including the area southeast of  
9 141 W. longitude and north of 57 N. latitude, including the entirety of the City  
10 and Borough of Sitka; and

11 (I) southern Southeast Alaska, including that portion of  
12 southeastern Alaska not contained within the area described in (H) of this  
13 paragraph;

14 (2) each of the following:

15 (A) the director of the office of management and budget;

16 (B) the commissioner of community [COMMERCE] and  
17 economic development;

18 (C) [THE COMMISSIONER OF COMMUNITY AND  
19 REGIONAL AFFAIRS;

20 (D)] the commissioner of environmental conservation;

21 (D) [(E)] the commissioner of fish and game;

22 (E) [(F)] the commissioner of natural resources; and

23 (F) [(G)] the commissioner of transportation and public  
24 facilities.

25 \* Sec. 43. AS 44.19.155(d) is amended to read:

26 (d) Each member of the council shall select one person to serve as a permanent  
27 alternate at meetings of the council. If a member of the council is unable to attend, the  
28 member shall advise the alternate who may attend and act in the place of the member.  
29 The alternate for a public member appointed under (a)(1) of this section shall, at the  
30 time of the alternate's designation and throughout the period of service as a permanent  
31 alternate, be the mayor or member of the assembly or council of a municipality within  
32 the region from which the permanent member is appointed. The alternate for the

1 director of the office of management and budget, serving under (a)(2)(A) of this section,  
2 shall be the director's designee within that office. The alternate for a designated member  
3 serving under (a)(2)(B) - (F) [(a)(2)(B) - (G)] of this section shall be a deputy  
4 commissioner of the department or the director of a division in the department. The  
5 names of alternates shall be filed with the council.

6 \* Sec. 44. AS 44.27.020 is amended to read:

7 **Sec. 44.27.020. Duties of department.** The Department of Education and  
8 Child Development shall

9 (1) administer the state's program of education at the elementary,  
10 secondary, and adult levels, including, but not limited to, programs of vocational  
11 education and training, [VOCATIONAL REHABILITATION,] library services, and  
12 correspondence courses [, AND ADULT BASIC EDUCATION], but not including  
13 degree programs of postsecondary education;

14 (2) administer the historical library;

15 (3) plan, finance, and operate related school and educational activities  
16 and facilities; and

17 (4) license and regulate child care facilities under AS 47.35.

18 \* Sec. 45. AS 44.31.020 is amended to read:

19 **Sec. 44.31.020. Duties of department.** The Department of Labor and  
20 Workforce Development shall

21 (1) enforce the laws, and adopt regulations under them concerning  
22 employer-employee relationships, including the safety, hours of work, wages, and  
23 conditions of workers, including children;

24 (2) accumulate, analyze, and report labor statistics;

25 (3) operate systems of workers' compensation and unemployment  
26 insurance; and

27 (4) gather data reflecting the cost of living in the various election  
28 districts of the state upon request of the director of personnel under AS 39.27.030; and

29 (5) operate the federally funded employment and training programs  
30 under 29 U.S.C. 1501 - 1792b (Job Training Partnership Act);

31 (6) administer the state's program of adult basic education.

32 \* Sec. 46. AS 44.33.010 is amended to read:

1           **Sec. 44.33.010. Commissioner of community [COMMERCE] and economic**  
2           **development.** The principal executive officer of the Department of Community  
3           [COMMERCE] and Economic Development is the commissioner of community  
4           [COMMERCE] and economic development. Whenever a statute provides that the  
5           commissioner is a member of a board, council, or other similar entity, the  
6           commissioner may designate another person to act in the commissioner's place.

7           \* **Sec. 47.** AS 44.33.020 is repealed and reenacted to read:

8           **Sec. 44.33.020. Duties of department.** The Department of Community and  
9           Economic Development shall

- 10                   (1) advise and assist local governments;
- 11                   (2) serve as staff for the Local Boundary Commission;
- 12                   (3) conduct studies and carry out experimental and pilot projects for the  
13           purpose of developing solutions to community and regional problems;
- 14                   (4) promote cooperative solutions to problems affecting more than one  
15           community or region, including joint service agreements, regional compacts, and other  
16           forms of cooperation;
- 17                   (5) serve as a clearinghouse for information useful in solution of  
18           community and regional problems, and channel to the appropriate authority requests for  
19           information and services;
- 20                   (6) advise and assist community and regional governments on matters  
21           of finance, including but not limited to bond marketing and procurement of federal  
22           funds;
- 23                   (7) prepare suggested guidelines relating to the content of notice of bond  
24           sale advertisements, prospectuses, and other bonding matters issued by local  
25           governments;
- 26                   (8) administer state funds appropriated for the benefit of unorganized  
27           regions within the state, allowing for maximum participation by local advisory councils  
28           and similar bodies;
- 29                   (9) carry out those administrative functions in the unorganized borough  
30           that the legislature may prescribe;
- 31                   (10) study existing and proposed laws and state activities that affect  
32           community and regional affairs and submit to the governor recommended changes in

- 1 those laws and activities;
- 2 (11) coordinate activities of the state that affect community and regional
- 3 affairs;
- 4 (12) assist in the development of new communities and serve as the
- 5 agent of the state for purposes of participation in federal programs relating to new
- 6 communities;
- 7 (13) supervise planning, management, and other activities required for
- 8 local eligibility for financial aid under those federal and state programs that provide
- 9 assistance to community and regional governments;
- 10 (14) advise and assist municipalities on procedures of assessment,
- 11 valuation, and taxation, and notify municipalities of major errors in those procedures;
- 12 (15) apply for, receive, and use funds from federal and other sources,
- 13 public or private, for use in carrying out the powers and duties of the department;
- 14 (16) request and utilize the resources of other agencies of state
- 15 government in carrying out the purposes of this chapter to the extent such utilization is
- 16 more efficient than maintaining departmental staff, reimbursing the other agencies when
- 17 appropriate;
- 18 (17) carry out the powers and duties assigned it under AS 42.45;
- 19 (18) administer state and, as appropriate, federal programs for revenue
- 20 sharing, grants, and other forms of financial assistance to community and regional
- 21 governments;
- 22 (19) administer the state programs relating to commerce, enforce the laws
- 23 relating to these programs, and adopt regulations under these laws;
- 24 (20) register corporations;
- 25 (21) collect corporation franchise taxes;
- 26 (22) enforce state laws regulating public utilities and other public service
- 27 enterprises, banking and securities, insurance, and other businesses and enterprises
- 28 touched with a public interest;
- 29 (23) make veterans' loans;
- 30 (24) furnish the budgeting, clerical, and administrative services for
- 31 regulatory agencies and professional and occupational licensing boards not otherwise
- 32 provided for;

1 (25) conduct studies, enter into contracts and agreements, and make  
2 surveys relating to the economic development of the state and, when appropriate,  
3 assemble, analyze, and disseminate the findings obtained;

4 (26) provide factual information and technical assistance for potential  
5 industrial and commercial investors;

6 (27) receive gifts, grants, and other aid that facilitate the powers and  
7 duties of the department from agencies and instrumentalities of the United States or  
8 other public or private sources;

9 (28) establish and activate programs to achieve balanced economic  
10 development in the state and advise the governor on economic development policy  
11 matters;

12 (29) formulate a continuing program for basic economic development  
13 and for the necessary promotion, planning and research that will advance the economic  
14 development of the state;

15 (30) cooperate with private, governmental, and other public institutions  
16 and agencies in the execution of economic development programs;

17 (31) review the programs and annual reports of other departments and  
18 agencies as they are related to economic development and prepare an annual report on  
19 the economic growth of the state;

20 (32) administer the economic development programs of the state;

21 (33) perform all other duties and powers necessary or proper in relation  
22 to economic development and planning for the state;

23 (34) request tourism-related businesses in the state to provide data  
24 regarding occupancy levels, traffic flow and gross receipts and to participate in visitor  
25 surveys conducted by the department; data collected under this paragraph that discloses  
26 the particulars of an individual business is not a matter of public record and shall be  
27 kept confidential; however, this restriction does not prevent the department from using  
28 the data to formulate tourism economic impact information including expenditure  
29 patterns, tax receipts and fees, employment and income attributable to tourism, and other  
30 information considered relevant to the planning, evaluation and policy direction of  
31 tourism in the state;

32 (35) provide administrative and budgetary services to the real estate

1 commission under as 08.88 as requested by the commission;

2 (36) sell at cost, to the extent possible, publications and promotional  
3 materials developed by the department;

4 (37) as delegated by the governor, administer under 16 U.S.C. 1856 the  
5 internal waters foreign processing permit procedures and collect related fees;

6 (38) administer state laws relating to the issuance of business licenses;

7 (39) comply with AS 15.07.055 to serve as a voter registration agency  
8 to the extent required by state and federal law, including 42 U.S.C. 1973gg (National  
9 Voter Registration Act of 1993);

10 (40) foster the growth of international trade within the state and  
11 administer Alaska foreign offices;

12 (41) carry out other functions and duties, consistent with law, necessary  
13 or appropriate to accomplish the purpose of this chapter.

14 \* **Sec. 48.** AS 44.33 is amended by adding new sections to article 1 to read:

15 **Sec. 44.33.112. Fees for publications, research data, and other services.** The  
16 commissioner may establish by regulation and the department may charge reasonable  
17 fees for department publications, research data, and other centralized administrative  
18 services to cover the cost of reproduction, printing, mailing, distribution, and other  
19 centralized administrative services.

20 **Sec. 44.33.115. Exxon Valdez oil spill unincorporated rural community**  
21 **grant fund.** There is created in the department the Exxon Valdez oil spill  
22 unincorporated rural community grant fund. The fund consists of money appropriated  
23 to the fund from the Exxon Valdez oil spill restoration fund, the Alyeska settlement  
24 fund, and other sources. Appropriations to the fund do not lapse unless otherwise  
25 provided by the legislature in the bill making the appropriation to the fund. The  
26 department may use the fund to make grants to unincorporated rural communities in the  
27 area affected by the Exxon Valdez oil spill for capital projects for purposes of restoring,  
28 replacing, or enhancing subsistence resources or services or other services damaged or  
29 lost as the result of the Exxon Valdez oil spill. In this section,

30 (1) "Alyeska settlement fund" means the trust fund established in the  
31 state treasury for the purpose of receiving, holding, and disbursing the settlement  
32 proceeds received by the state under the Agreement and Consent Decree in re: The

1 Exxon Valdez, United States District Court, District of Alaska, Case No. A92-175 Civil,  
2 decree entered November 25, 1992;

3 (2) "Exxon Valdez oil spill restoration fund" means the fund established  
4 by the Department of Revenue to implement the judgment entered by the United States  
5 District Court for Alaska in the criminal case United States of America v. Exxon  
6 Shipping Company and Exxon Corporation, No. A90-015 CR.

7 **Sec. 44.33.118. Definitions.** In AS 44.33.010 - 44.33.118,

8 (1) "commissioner" means the commissioner of community and  
9 economic development;

10 (2) "department" means the Department of Community and Economic  
11 Development.

12 \* **Sec. 49.** AS 44.33.120(b) is amended to read:

13 (b) The Department of Community and Economic Development [ALASKA  
14 DIVISION OF TOURISM] shall

15 (1) cooperate with the tourism marketing council and organizations in  
16 the private sector for the promotion and development of tourism and conventions into  
17 and within the state;

18 (2) coordinate with municipal, state, and federal agencies for the  
19 development and promotion of tourism resources and conventions in the state;

20 (3) review and approve the procurement documents and procedures of  
21 the tourism marketing council to ensure compliance with applicable laws and  
22 regulations;

23 (4) promote and develop the state's tourist and convention industry by  
24 any of the following:

25 (A) publicizing state attractions through such means as display  
26 advertising in magazines and newspapers, advertising on radio and television or  
27 other advertising media, publishing pamphlets, brochures and other graphic and  
28 pictorial materials, or [BY] aiding and assisting representatives of the media, to  
29 ensure greater coverage of the visitor attractions in the state;

30 (B) participation in travel shows;

31 (C) increasing the awareness of the citizens of the state at the  
32 statewide, regional, and community level of the economic importance of the

- 1 visitor industry;
- 2 (D) assisting potential investors in creating new visitor facilities;
- 3 (E) administering programs of the state in which the state
- 4 provides matching funds for municipalities of the state or nonprofit organizations
- 5 that undertake the promotion of visitor travel to and the development of visitor
- 6 amenities in the state;
- 7 (F) administering visitor information centers;
- 8 (G) conducting research to evaluate the effectiveness of the
- 9 tourism marketing council's marketing programs;
- 10 (H) analyzing the effect on the state's visitor industry of state
- 11 land and resource development projects;
- 12 (I) organizing, administering, and evaluating demonstration
- 13 projects for the promotion of the state's visitor industry and the development of
- 14 new tourism destination markets; and
- 15 (J) administering grants under AS 44.33.135.

16 \* Sec. 50. AS 44.33.135(a) is amended to read:

17 (a) A municipality, a nonprofit corporation formed under AS 10.20, or a bona

18 fide nonprofit civic, fraternal, or service organization may receive, as a grant, matching

19 money from the state for up to 50 percent of the costs of a program or project that the

20 commissioner of community and economic development [DIRECTOR OF TOURISM]

21 determines is consistent with the purposes of AS 44.33.119 and is likely to promote or

22 develop visitor travel, including

23 (1) the promotion of conventions;

24 (2) the construction, improvement, or operation of visitor destination

25 facilities and tourist attractions; and

26 (3) the development and preservation of attractions of historical,

27 contemporary, recreational, or cultural interest.

28 \* Sec. 51. AS 44.33.705(a) is amended to read:

29 (a) Unless the commissioner contracts with a qualified trade association under

30 (b) of this section, the governing body of the council is a board of directors consisting

31 of [THE DIRECTOR OF TOURISM,] the commissioner of community [COMMERCE]

32 and economic development [,] and the commissioners [COMMISSIONER] of two other

1 [ANOTHER] principal executive departments [DEPARTMENT] designated by the  
2 governor.

3 \* Sec. 52. AS 44.33.705(c) is amended to read:

4 (c) If the commissioner contracts with a qualified trade association under (b) of  
5 this section, the governing body of the council is a board of directors consisting of 21  
6 members and subject to the following provisions:

7 (1) a board member shall

8 (A) be involved in a visitor or recreation industry business;

9 (B) have training in a field such as marketing;

10 (C) be an officer or a senior staff member of a local government  
11 or nonprofit enterprise established to promote the visitor industry; or

12 (D) have business or government experience that would  
13 materially enhance the member's ability to contribute to the planning, execution,  
14 or evaluation of a visitor industry promotional marketing campaign;

15 (2) the contract shall provide that the trade association may select up to  
16 10 board members; the governor may remove a member of the board selected under this  
17 paragraph on the delivery by the governor to the board of a written statement explaining  
18 the reasons for the removal;

19 (3) the commissioner of community and economic development  
20 [DIRECTOR OF TOURISM] is a member of the board; the governor shall appoint 10  
21 other board members; each board member appointed by the governor serves at the  
22 pleasure of the governor; in making appointments to the board under this paragraph, the  
23 governor shall ensure that the board, including members selected under (2) of this  
24 subsection, is broadly representative of the different regions of the state and the various  
25 sectors of the visitor industry;

26 (4) eleven members of the board constitute a quorum for the transaction  
27 of business and the exercise of the powers and duties of the board, and any action by  
28 the board requires 11 affirmative votes;

29 (5) the governor shall appoint a member of the board to serve as  
30 presiding officer of the board; the board shall elect other necessary officers from among  
31 its members annually;

32 (6) a board member may not participate or vote by proxy;

1 (7) the board shall meet at least four times a year at the call of the  
2 presiding officer or upon the written request of seven members of the board;

3 (8) the members of the board appointed by the governor serve staggered  
4 three-year terms, subject to continuation of the contract, and may be reappointed;

5 (9) a person appointed to fill a vacancy on the board holds office for the  
6 balance of the term of the person's predecessor;

7 (10) board members receive no salary for serving in that position, but  
8 are entitled to per diem and travel expenses under AS 39.20.180, except as provided in  
9 AS 44.33.733; the contract must provide that the trade association will reimburse the  
10 council for per diem and travel expenses paid to those board members appointed by the  
11 trade association; reimbursement under this paragraph does not qualify as a part of the  
12 association's required contribution under (b) of this section;

13 (11) notwithstanding AS 39.52, a board member who is a member of the  
14 qualified trade association that has contracted with the department under (b) of this  
15 section may vote or take action on a matter that might benefit the trade association or  
16 members of the trade association, including the issuance of contracts or the granting of  
17 rights to the trade association, but shall disclose the person's membership in the trade  
18 association before the vote or action; this paragraph may not be interpreted to allow a  
19 board member or an immediate family member of a board member to receive, apply for,  
20 be a party to, have a personal or financial interest in, or attempt to acquire a grant or  
21 contract made by the council; in this paragraph, "immediate family member" has the  
22 meaning given in AS 39.52.960.

23 \* Sec. 53. AS 44.33.720(a) is amended to read:

24 (a) The council shall

25 (1) conduct a tourism marketing program designed to accomplish the  
26 purposes of AS 44.33.700 - 44.33.735; the marketing program must include promotion  
27 of the state as a destination and promotion of all forms of travel to the state, including  
28 travel by air, highway, or water;

29 (2) prepare and implement plans for the promotion of Alaska tourism,  
30 including necessary research;

31 (3) submit an annual report to the governor describing the activities of  
32 the council and notify the legislature that the report is available;

1 (4) make available to all interested persons, including tourism businesses,  
2 a quarterly report of the council's actions and activities;

3 (5) annually submit a proposed operating budget to the commissioner,  
4 to be used by the Department of Community [COMMERCE] and Economic  
5 Development to prepare and submit the operating budget of the council under  
6 AS 44.33.725;

7 (6) provide advice, on the request of the commissioner of community  
8 and economic development [DIRECTOR OF TOURISM], on the programs of the  
9 Department of Community and Economic Development that relate to tourism  
10 [DIVISION];

11 (7) prepare a report by the 10th day of each regular session of the  
12 legislature, describing how the contractual money was spent in the first half of the year  
13 and explaining the plan for expenditures during the second half of the year; the council  
14 shall notify the legislature that the report is available;

15 (8) consider methods to fund tourism marketing using both public and  
16 private assets; and

17 (9) consider methods of providing for the financial self-sufficiency of the  
18 council.

19 \* Sec. 54. AS 44.33 is amended by adding new sections to read:

20 **Article 7A. Rural Development.**

21 **Sec. 44.33.740. Powers and duties.** To promote development of rural areas of  
22 the state, the department is authorized to

23 (1) investigate social and economic conditions of rural areas to determine  
24 the need to expand economic opportunities and improve living conditions;

25 (2) formulate a coordinated program to broaden and diversify the  
26 economic base of rural areas;

27 (3) coordinate administration of emergency relief, surplus food  
28 distribution, or other public assistance programs, except the regular relief and assistance  
29 programs of the federal government in rural areas;

30 (4) formulate and conduct a program of construction of basic facilities  
31 to improve health, welfare, and economic security and provide employment and income  
32 in the rural areas;

1 (5) promote training and educational programs designed to expand  
2 employment opportunities for residents of rural areas;

3 (6) enter into agreements with other state agencies and departments to  
4 provide for the distribution in rural communities of surplus electrical power from state-  
5 owned power sources located in those communities and to expend funds for this  
6 purpose;

7 (7) make grants to communities for bulk fuel storage facilities;

8 (8) cooperate with the Department of Environmental Conservation and  
9 other agencies to provide technical assistance to communities in the installation,  
10 operation, and management of bulk fuel storage facilities.

11 **Sec. 44.33.745. Limitations.** A program of the department under AS 44.33.740  
12 in a rural area may not exceed \$100,000 in cost a year.

13 **Sec. 44.33.750. Bulk fuel storage facilities grant fund.** (a) There is  
14 established in the department the bulk fuel storage facilities grant fund. Grants may be  
15 made by the department from this fund to a community to acquire and install community  
16 bulk storage facilities.

17 (b) Grants made under this section for the acquisition and installation of a bulk  
18 fuel storage facility may not exceed \$100,000 per community.

19 (c) If the governing body of two or more communities determine that their fuel  
20 requirements may be served by a single bulk fuel storage facility, the communities may  
21 jointly apply for grants to acquire and install a single bulk fuel storage facility. When  
22 communities apply jointly under this subsection, the limitation in (b) of this section is  
23 multiplied by the number of communities that submit the joint application.

24 (d) Before a grant is made under this section, the city council or, if the  
25 community is not incorporated, a reasonable representative body in the community shall  
26 agree in writing to maintain and operate the bulk storage facility to be constructed with  
27 the proceeds of the grant.

28 **Sec. 44.33.755. Land conveyed in trust.** (a) The commissioner

29 (1) shall accept, administer, and dispose of land conveyed to the state  
30 in trust by village corporations under 43 U.S.C. 1613(c)(3) (Sec. 14(c)(3) of the Alaska  
31 Native Claims Settlement Act) for the purposes specified in that section;

32 (2) may, with the concurrence of an appropriate village entity recognized

1 by the commissioner under (b) of this section or, in the absence of an appropriate village  
2 entity, under procedures prescribed by regulations of the commissioner, accept,  
3 administer, and dispose of land conveyed in trust by a state or federal agency and by the  
4 dissolution of a municipality under AS 29.06.450 - 29.06.530.

5 (b) Transfer of land by sale, lease, right-of-way, easement, or permit, including  
6 transfer of surface resources, may be made by the commissioner only after approval of  
7 an appropriate village entity such as the traditional council, a village meeting, or a  
8 village referendum. This approval shall be by resolution filed with the department.

9 (c) Within one complete state fiscal year after the incorporation of a  
10 municipality in the village or of a municipality that includes all or part of the village,  
11 land acquired under this section shall be conveyed without cost to the municipality, and  
12 the municipality shall succeed to all the entrusted interest in the land.

13 (d) Separate accounts shall be maintained in the name of each village for the  
14 land, including the revenue from the land, acquired from each village corporation under  
15 this section.

16 (e) Upon the conveyance of land to a municipality under this section, the  
17 commissioner shall account to the municipality for all profits including interest generated  
18 from the land. The municipality may then request the governor to submit a request to  
19 the legislature for an appropriation for the amount due the municipality.

20 (f) Title to or an interest in land acquired by the department under this section  
21 may not be acquired by adverse possession or prescription. Notwithstanding (a) - (e)  
22 of this section, on the dissolution of a municipality under AS 29.06.450 - 29.06.530,  
23 unimproved land that was owned by the municipality on the date of its dissolution and  
24 received by the municipality from the state under a municipal land grant entitlement  
25 program is transferred to the commissioner of natural resources.

26 (g) For the purposes of this section, "municipality" includes only first and  
27 second class cities incorporated under the laws of the state.

28 **Sec. 44.33.760. Loan information officers.** (a) The department may provide  
29 itinerant loan information officers to serve persons who reside outside the major  
30 population centers of the state.

31 (b) The loan information officers shall be trained, to the extent that the  
32 department considers necessary, in a program administered by the department and

1 approved by the Alaska Housing Finance Corporation, the Alaska Industrial  
2 Development and Export Authority, and the principal departments of the executive  
3 branch that administer loan programs.

4 (c) A majority of the loan information officers shall be persons who are  
5 conversant in Alaska Native languages that are spoken by a significant number of Alaska  
6 Natives. The department shall provide brochures and other printed materials, written in  
7 easily understandable English and in the Alaska Native languages that are spoken by a  
8 significant number of Alaska Natives, for distribution by the loan information officers.  
9 The brochures and printed materials must explain the purposes of the various state loan  
10 programs, the minimum qualifications under the programs, the method for obtaining  
11 assistance in the completion of applications for the programs, and other information the  
12 department determines will improve the access of persons in rural areas to the state's  
13 loan programs.

14 (d) The department shall coordinate its efforts under this section with local  
15 financial institutions and community groups to determine the proper itinerary and travel  
16 schedule of the loan information officers and to provide adequate notice to persons in  
17 rural areas of the itinerary and travel schedule of the loan information officers.

18 (e) The department shall assign the loan information officers to rural areas based  
19 on the current and potential future demands for loans in those areas and shall establish  
20 offices for the loan information officers in rural areas if the department determines it is  
21 necessary to provide familiarity with the area served by the loan information officers and  
22 to reduce travel costs.

23 **Sec. 44.33.765. Rural development initiative fund.** (a) The rural development  
24 initiative fund is created in the department. Unless provided otherwise in the  
25 appropriation act, an appropriation to the fund is retained in the fund for use under  
26 AS 44.33.765 - 44.33.775 and does not lapse at the end of a fiscal year. Each year the  
27 commissioner shall request an appropriation to the fund of interest and other income  
28 earned on loans or investments of the fund. Money in the fund may be appropriated for  
29 costs of administering AS 44.33.765 - 44.33.775.

30 (b) The commissioner may place money from the fund into a special reserve  
31 account as necessary. The commissioner may use money in the account to protect the  
32 state's security interest in collateral on loans made from the fund, to protect the state's

1 interests in investments made from the fund, or to defray expenses incurred during  
2 foreclosure or other legal proceedings involving loans or investments made from the  
3 fund.

4 (c) The commissioner may use money from the fund to provide for loan  
5 information officers under AS 44.33.760.

6 **Sec. 44.33.770. Rural development loans.** (a) The department may use money  
7 from the rural development initiative fund to make a loan of up to \$100,000 to a person,  
8 or a loan of up to \$200,000 to two or more persons, to be used for working capital,  
9 equipment, construction, or other commercial purposes by a business located in a  
10 community with a population of 5,000 or less. A person who has received a loan under  
11 this subsection may not be granted another loan until after the original loan is entirely  
12 repaid.

13 (b) The department shall require collateral for each loan made under this section  
14 and shall require that a reasonable amount of money from other nonstate sources be  
15 committed for use on any project or enterprise for which money from a loan will be  
16 used. The department by regulation may establish other conditions for loans. The  
17 department shall by regulation establish rates of interest that are not less than six percent  
18 a year and terms of repayment for loans made under this section.

19 **Sec. 44.33.775. Disposal of property acquired by default or foreclosure.** The  
20 department shall dispose of property acquired through default or foreclosure of a loan  
21 made from the rural development initiative fund. Disposal shall be made in a manner  
22 that serves the best interests of the state, and may include the amortization of payments  
23 over a period of years. The commissioner shall request an appropriation to the fund of  
24 proceeds from disposal of property under this section.

25 **Sec. 44.33.780. Definitions.** In AS 44.33.740 - 44.33.780,

26 (1) "commissioner" means the commissioner of community and  
27 economic development;

28 (2) "department" means the Department of Community and Economic  
29 Development.

### 30 **Article 7B. Planning Assistance.**

31 **Sec. 44.33.781. Planning assistance for development and maintenance of**  
32 **district coastal management programs.** (a) The department shall conduct a program

1 of research, training, and technical assistance to coastal resource districts necessary for  
 2 the development and implementation of district coastal management programs under  
 3 AS 46.40. The technical assistance shall include the direct granting to the coastal  
 4 resource districts of a portion of any funds received by the state from the federal coastal  
 5 zone management program, in amounts to be individually determined for each coastal  
 6 resource district by the commissioner of community and economic development. State  
 7 agencies shall assist the department in carrying out the purposes of this section.

8 **Sec. 44.33.782. Planning assistance to platting authorities.** To facilitate  
 9 planning in municipalities that exercise planning and zoning authority, the department  
 10 may provide planning assistance, including but not limited to surveys, land use studies,  
 11 urban renewal plans, technical services, model acts that include regulations designed to  
 12 encourage development and use of energy systems not dependent on oil or gas, and other  
 13 planning work to a city, borough, or other platting authority. In an area under the  
 14 jurisdiction, for planning purposes, of a city, borough, or other platting authority, the  
 15 department may not perform the planning work except at the request or with the consent  
 16 of the local authority.

17 **Sec. 44.33.784. Assistance by cities and platting authorities.** A city or  
 18 platting authority may make funds under its control available to the department for the  
 19 purposes of obtaining planning work or planning assistance, or both, for its area. The  
 20 department may contract for, accept, and expend the funds for urban planning for the  
 21 local jurisdiction.

22 **Sec. 44.33.786. Land use planning and state facility procurement plan.** The  
 23 department shall make recommendations to the Department of Transportation and Public  
 24 Facilities and to appropriate program agencies concerning the effect upon the  
 25 comprehensive plan or other land use plans or proposals of municipalities and  
 26 unincorporated communities with respect to the facility procurement plan required to be  
 27 prepared in accordance with AS 35.10.170.

28 **Sec. 44.33.788. Other planning powers.** The department may accept and  
 29 expend grants from the federal government and other public or private sources, may  
 30 contract with reference to them, and may enter into contracts and exercise all other  
 31 powers necessary to carry out AS 44.33.781 - 44.33.788.

32 **Sec. 44.33.790. Definition.** In AS 44.33.782 - 44.33.790, "department" means

1 the Department of Community and Economic Development.

2 \* **Sec. 55.** AS 44.33 is amended by adding new sections to read:

3 **Article 8A. Local Boundary Commission.**

4 **Sec. 44.33.810. Local Boundary Commission.** There is in the Department of  
5 Com' nity and Economic Development a Local Boundary Commission. The Local  
6 Boun. ry Commission consists of five members appointed by the governor for  
7 overlapping five-year terms. One member shall be appointed from each of the four  
8 judicial districts described in AS 22.10.010 and one member shall be appointed from the  
9 state at large. The member appointed from the state at large is the chair of the  
10 commission.

11 **Sec. 44.33.812. Powers and duties.** (a) The Local Boundary Commission shall

12 (1) make studies of local government boundary problems;

13 (2) adopt regulations providing standards and procedures for municipal  
14 incorporation, annexation, detachment, merger, consolidation, reclassification, and  
15 dissolution;

16 (3) consider a local government boundary change requested of it by the  
17 legislature, the commissioner of community and economic development, or a political  
18 subdivision of the state; and

19 (4) develop standards and procedures for the extension of services and  
20 ordinances of incorporated cities into contiguous areas for limited purposes upon  
21 majority approval of the voters of the contiguous area to be annexed and prepare  
22 transition schedules and prorated tax mill levies as well as standards for participation by  
23 voters of these contiguous areas in the affairs of the incorporated cities furnishing  
24 services.

25 (b) The Local Boundary Commission may

26 (1) conduct meetings and hearings to consider local government  
27 boundary changes and other matters related to local government boundary changes,  
28 including extensions of services by incorporated cities into contiguous areas and matters  
29 related to extension of services; and

30 (2) present to the legislature during the first 10 days of a regular session  
31 proposed local government boundary changes, including gradual extension of services  
32 of incorporated cities into contiguous areas upon a majority approval of the voters of the

1 contiguous area to be annexed and transition schedules providing for total assimilation  
2 of the contiguous area and its full participation in the affairs of the incorporated city  
3 within a period not to exceed five years.

4 **Sec. 44.33.814. Meetings and hearings.** The chair of the commission or the  
5 commissioner of community and economic development with the consent of the chair  
6 may call a meeting or hearing of the Local Boundary Commission. All meetings and  
7 hearings shall be public.

8 **Sec. 44.33.816. Minutes and records.** The Local Boundary Commission shall  
9 keep minutes of all meetings and hearings. If the proceedings are transcribed, minutes  
10 shall be made from the transcription. The minutes are a public record. All votes taken  
11 by the commission shall be entered in the minutes.

12 **Sec. 44.33.818. Notice of public hearings.** Public notice of a hearing of the  
13 Local Boundary Commission shall be given in the area in which the hearing is to be  
14 held at least 15 days before the date of the hearing. The notice of the hearing must  
15 include the time, date, place, and subject of the hearing. The commissioner of  
16 community and economic development shall give notice of the hearing at least three  
17 times in the press, through other news media, or by posting in a public place, whichever  
18 is most feasible.

19 **Sec. 44.33.820. Quorum.** Three members of the commission constitute a  
20 quorum for the conduct of business at a meeting. Two members constitute a quorum  
21 for the conduct of business at a hearing.

22 **Sec. 44.33.822. Boundary change.** A majority of the membership of the Local  
23 Boundary Commission must vote in favor of a proposed boundary change before it may  
24 be presented to the legislature.

25 **Sec. 44.33.824. Expenses.** Members of the Local Boundary Commission  
26 receive no pay but are entitled to the travel expenses and per diem authorized for  
27 members of boards and commissions under AS 39.20.180.

28 **Sec. 44.33.826. Hearings on boundary changes.** A local government boundary  
29 change may not be proposed to the legislature unless a hearing on the change has been  
30 held in or in the near vicinity of the area affected by the change.

31 **Sec. 44.33.828. When boundary change takes effect.** When a local  
32 government boundary change is proposed to the legislature during the first 10 days of

1 any regular session, the change becomes effective 45 days after presentation or at the  
2 end of the session, whichever is earlier, unless disapproved by a resolution concurred  
3 in by a majority of the members of each house.

4 **Article 8B. Borough Feasibility Studies.**

5 **Sec. 44.33.840. Borough feasibility studies.** The commissioner may contract  
6 for studies of the feasibility of establishing boroughs in the unorganized borough. A  
7 study may be conducted under this section only if

8 (1) appropriations are available for that purpose; and

9 (2) the study is requested by a person residing in the area to be studied  
10 or by a city located in the area to be studied.

11 **Sec. 44.33.842. Requests for studies.** A request for a study of the feasibility  
12 of establishing a borough in the unorganized borough shall be submitted to the  
13 commissioner in writing and must include

14 (1) a description of the boundaries of the area of the proposed study; and

15 (2) an indication of local interest in the proposed study consisting of  
16 either

17 (A) a petition requesting the study containing the signatures and  
18 addresses of five percent of the voters residing in the area of the proposed study  
19 based on the number of voters who voted in the area in the last statewide  
20 election; or

21 (B) resolutions requesting the study adopted by the governing  
22 bodies of at least five percent of the cities within the area of the proposed study.

23 **Sec. 44.33.844. Boundaries.** The boundaries of an area studied shall conform  
24 to the boundaries indicated in the request for the study under AS 44.33.842 unless the  
25 commissioner, after a public hearing held in the area of the proposed study, determines  
26 that the boundaries should be altered. In determining the boundaries of an area to be  
27 studied, the commissioner shall consider

28 (1) the standards applicable to the incorporation of boroughs under  
29 AS 29.05.031;

30 (2) boundaries of regional corporations established under 43 U.S.C. 1606;

31 (3) census divisions of the state used for the 1980 census;

32 (4) boundaries of the regional educational attendance areas established

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under AS 14.08.031; and  
(5) boundaries of coastal resource service areas organized under AS 46.40.110 - 46.40.210.

**Sec. 44.33.846. Contracts.** (a) The commissioner shall contract for a study of the feasibility of establishing a borough in the unorganized borough by following the procedures under AS 36.30 (State Procurement Code). The commissioner shall include terms in the contract that provide for

- (1) public participation in the preparation of the study;
- (2) completion of the study not later than June 30 of the third year after the year the contract is executed.

(b) A study under this section must include

- (1) a recommendation for or against incorporation of a borough containing all or part of the area studied;
- (2) an evaluation of the economic development potential of the area studied;
- (3) an evaluation of capital facility needs of the area studied;
- (4) an evaluation of demographic, social, and environmental factors affecting the area studied;
- (5) an evaluation of the relationships among regional educational attendance areas, coastal resource service areas, and other regional entities responsible for providing services in the area studied;
- (6) an evaluation of the relationships between the existing cities within the area studied and regional entities responsible for providing services in the area; and
- (7) specific recommendations for
  - (A) organization of a home rule or general law borough government if one is recommended;
  - (B) changes in organization of cities in the area studied; or
  - (C) the improvement of the delivery of services to the public by the state in the area studied.

**Sec. 44.33.849. Definition.** In AS 44.33.840 - 44.33.849, "commissioner" means the commissioner of community and economic development.

**Article 8C. Alaska Regional Economic Assistance Program.**

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1           **Sec. 44.33.895. Alaska regional economic assistance program.** (a) The  
2 department shall

3           (1) encourage the formation of regional development organizations by  
4 providing assistance in forming organizations to interested individuals, including  
5 information on how to qualify and apply for regional development grants and federal  
6 funding under 42 U.S.C. 3121 - 3246 (Public Works and Economic Development Act  
7 of 1965), as amended;

8           (2) assist an interested individual in establishing boundaries for a  
9 proposed organization to ensure that the region

10           (A) is of sufficient geographic size and contains a large enough  
11 population to form an economically viable unit with shared interests, resources,  
12 traditions, and goals;

13           (B) contains at least one municipality that serves as a regional  
14 center; and

15           (C) contains the entire area of each municipality included in the  
16 region;

17           (3) gather information about regional economic issues, international  
18 trade, and tourism from organizations;

19           (4) serve as liaison between organizations and other state agencies and  
20 encourage other agencies to make resources available to help accomplish goals of the  
21 organizations;

22           (5) assist each organization to

23           (A) provide services designed to encourage economic  
24 development to local communities and businesses;

25           (B) collect and distribute economic information relevant to the  
26 region;

27           (C) participate in state marketing campaigns and join state trade  
28 missions that are relevant to the region; and

29           (D) develop and implement strategies to attract new industry,  
30 expand international trade opportunities, and encourage tourism within the  
31 region.

32           (b) Subject to (c) of this section, the department may make regional

1 development grants to organizations for projects the department determines will be of  
2 value in encouraging economic development. During a fiscal year, the department may  
3 make no more than 15 grants and may only make grants to one organization from a  
4 particular region. An organization that is designated an economic development district  
5 under 42 U.S.C. 3171 qualifies for grants under this subsection. The department shall  
6 by regulation adopt procedures for applying for regional development grants, including  
7 application deadlines. The department may by regulation establish additional grant  
8 eligibility requirements.

9 (c) To qualify for a grant, a regional development organization must match the  
10 grant by providing an amount of money from nonstate sources. The department shall  
11 establish by regulation a formula that determines the amount of the match required under  
12 this subsection based on the capability of each organization to generate money from  
13 nonstate sources. The amount of match required may not exceed the amount of grant  
14 money and may not be less than 20 percent of the grant. The total amount of grant  
15 money provided to an organization during a fiscal year may not exceed \$100,000.

16 (d) There is established in the department the regional development fund  
17 consisting of appropriations to the fund. Money from the fund may be used only for  
18 regional development grants.

19 (e) In this section,

20 (1) "department" means the Department of Community and Economic  
21 Development;

22 (2) "regional development organization" or "organization" means a  
23 nonprofit organization or nonprofit corporation formed to encourage economic  
24 development within a particular region of the state that includes the entire area of each  
25 municipality within that region and that has a board of directors that represents the  
26 region's economic, political, and social interests.

27 \* Sec. 56. AS 44.62.330(a)(24) is amended to read:

28 (24) Department of Health and Social Services and Department of  
29 Education and Child Development, relating to denial, involuntary conditioning, or  
30 revocation of a license issued under AS 47.35, or suspension of operations or admissions  
31 or assessment of an administrative fine under AS 47.35;

32 \* Sec. 57. AS 46.03.900(33) is amended to read:

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(33) "village" means a place within the unorganized borough or within a borough as to a power, function, or service that is not exercised or provided by the borough on an areawide or nonareawide basis that

(A) has irrevocably waived, in a form approved by the Department of Law, any claim of sovereign immunity that might arise under this chapter; and

(B) has

(i) a council organized under 25 U.S.C. 476 (sec. 16 of the Indian Reorganization Act);

(ii) a traditional village council recognized by the United States as eligible for federal aid to Indians; or

(iii) a council recognized by the commissioner of community and economic development [REGIONAL AFFAIRS] under regulations adopted by the Department of Community and Economic Development [REGIONAL AFFAIRS] to determine and give official recognition of village entities under AS 44.33.755(G) [AS 44.47.150(b)];

\* Sec. 58. AS 46.04.900(22) is amended to read:

(22) "village" means a place within the unorganized borough or within a borough as to a power, function, or service that is not exercised or provided by the borough on an areawide or nonareawide basis that

(A) has irrevocably waived, in a form approved by the Department of Law, any claim of sovereign immunity that might arise under this chapter; and

(B) has

(i) a council organized under 25 U.S.C. 476 (sec. 16 of the Indian Reorganization Act);

(ii) a traditional village council recognized by the United States as eligible for federal aid to Indians; or

(iii) a council recognized by the commissioner of community and economic development [REGIONAL AFFAIRS] under regulations adopted by the Department of Community and Economic Development [REGIONAL AFFAIRS] to determine and give official

1 recognition of village entities under AS 44.33.755(b) [AS 44.47.150(b)];

2 \* **Sec. 59.** AS 46.08.900(16) is amended to read:

3 (16) "village" means a place within the unorganized borough or within  
4 a borough if the power, function, or service for which a grant application under  
5 AS 29.60.510 is submitted is not exercised or provided by the borough on an areawide  
6 or nonareawide basis at the time the grant application is submitted that

7 (A) has irrevocably waived, in a form approved by the  
8 Department of Law, any claim of sovereign immunity that might arise in  
9 connection with the use of grant money under this chapter; and

10 (B) has

11 (i) a council organized under 25 U.S.C. 476 (sec. 16 of  
12 the Indian Reorganization Act);

13 (ii) a traditional village council recognized by the United  
14 States as eligible for federal aid to Indians; or

15 (iii) a council recognized by the commissioner of  
16 community and economic development [REGIONAL AFFAIRS] under  
17 regulations adopted by the Department of Community and Economic  
18 Development [REGIONAL AFFAIRS] to determine and give official  
19 recognition of village entities under AS 44.33.755(b) [AS 44.47.150(b)].

20 \* **Sec. 60.** AS 46.40.170(b) is amended to read:

21 (b) At the request of the council, the Department of Community and Economic  
22 Development [REGIONAL AFFAIRS] shall complete the district coastal management  
23 program in accordance with this chapter and the guidelines and standards adopted by the  
24 council for a coastal resource service area that [WHICH] has been organized but that  
25 [WHICH] has failed to make substantial progress in the preparation of an approvable  
26 district coastal management program within 18 months of certification of the results of  
27 an organization election or that [WHICH] has not submitted for approval to the council  
28 a program within 30 months of certification of the results of its organization election.  
29 Preparation of the program shall be conducted in consultation with the coastal resource  
30 service area and shall, to the maximum extent consistent with this chapter, reflect the  
31 expressed concerns of the residents of the service area.

32 \* **Sec. 61.** AS 46.40.190(a) is amended to read:

1 (a) A city within the coastal area that [WHICH] is not part of a coastal resource  
2 service area shall be included for purposes of this chapter within an adjacent coastal  
3 resource service area unless its governing body, by resolution adopted by a majority of  
4 its membership, chooses to exclude the city from an adjacent coastal resource service  
5 area and a copy of the resolution is filed with the commissioner of community and  
6 economic development [REGIONAL AFFAIRS].

7 \* Sec. 62. AS 46.40.210(2) is amended to read:

8 (2) "coastal resource district" means each of the following that  
9 [WHICH] contains a portion of the coastal area of the state:

10 (A) unified municipalities;

11 (B) organized boroughs of any class that [WHICH] exercise  
12 planning and zoning authority;

13 (C) home rule and first class cities of the unorganized borough  
14 or within boroughs that [WHICH] do not exercise planning and zoning  
15 authority;

16 (D) second class cities of the unorganized borough, or within  
17 boroughs that [WHICH] do not exercise planning and zoning authority, that  
18 [WHICH] have established a planning commission, and that [WHICH], in the  
19 opinion of the commissioner of community and economic development  
20 [REGIONAL AFFAIRS], have the capability of preparing and implementing a  
21 comprehensive district coastal management program under AS 46.40.030;

22 (E) coastal resource service areas established and organized under  
23 AS 29.03.020 and AS 46.40.110 - 46.40.180;

24 \* Sec. 63. AS 47.05.030(a) is amended to read:

25 (a) Except as provided in (b) of this section and for purposes directly connected  
26 with the administration of general assistance, adult public assistance, the day care  
27 assistance program authorized under AS 14.38.100 - 14.38.199 [AS 44.47.250 -  
28 44.47.310], or the Alaska temporary assistance program, and in accordance with the  
29 regulations of the department, a person may not solicit, disclose, receive, make use of,  
30 or authorize, knowingly permit, participate in, or acquiesce in the use of, a list of or  
31 names of, or information concerning, persons applying for or receiving the assistance  
32 directly or indirectly derived from the records, papers, files, or communications of the

1 department or subdivisions or agencies of the department, or acquired in the course of  
2 the performance of official duties.

3 \* **Sec. 64.** AS 47.27.060 is amended to read:

4 **Sec. 47.27.060. Job development.** The department may establish cooperative  
5 agreements with the Department of Labor and Workforce Development.  
6 [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS,] Department of  
7 Education and Child Development, and Department of Community [COMMERCE]  
8 and Economic Development, and with other public or private sector organizations for  
9 the purpose of developing job, training, and educational opportunities for families  
10 eligible for assistance under this chapter.

11 \* **Sec. 65.** AS 47.27.900(2) is amended to read:

12 (2) "child care assistance" means payments made by the Department of  
13 Health and Social Services or the department of Education and Child Development  
14 [COMMUNITY AND REGIONAL AFFAIRS] to Alaska temporary assistance program  
15 participant families or to providers for the care of children of the participant families;

16 \* **Sec. 66.** AS 47.35 is amended by adding a new section to read:

17 **Sec. 47.35.007. Jurisdiction.** (a) Except as provided in (b) of this section, the  
18 Department of Health and Social Services has jurisdiction under this chapter over the  
19 facilities governed by this chapter.

20 (b) The Department of Education and Child Development has jurisdiction under  
21 this chapter over child care facilities that are governed by this chapter.

22 \* **Sec. 67.** AS 47.35.900(8) is amended to read:

23 (8) "department" means the Department of Health and Social Services  
24 with respect to the facilities over which the Department of Health and Social  
25 Services has jurisdiction under this chapter and the Department of Education and  
26 Child Development with respect to the facilities over which the Department of  
27 Education and Child Development has jurisdiction under this chapter;

28 \* **Sec. 68.** AS 47.90.040 is amended to read:

29 **Sec. 47.90.040. Consultation and coordination.** The commissioner shall  
30 consult and cooperate with the Department of Health and Social Services; the  
31 Department of Education and Child Development; [, INCLUDING] the director of the  
32 division of vocational rehabilitation; the University of Alaska, community colleges, and

1 other colleges as appropriate; [THE DEPARTMENT OF LABOR, INCLUDING THE  
2 DIVISION OF EMPLOYMENT SECURITY:] and other persons or agencies that the  
3 commissioner considers appropriate in the implementation of this chapter.

4 \* **Sec. 69.** AS 47.90.070(1) is amended to read:

5 (1) "commissioner" means the commissioner of labor and workforce  
6 development [COMMUNITY AND REGIONAL AFFAIRS];

7 \* **Sec. 70.** REPEALER. AS 23.15.210(4); AS 39.25.120(c)(21); AS 44.17.005(17);  
8 AS 44.19.620, 44.19.621, 44.19.622, 44.19.623, 44.19.624, 44.19.625, 44.19.626, 44.19.627;  
9 AS 44.29.020(a)(14); AS 44.33.120(a), 44.33.240, 44.33.242, 44.33.245, 44.33.255, 44.33.260,  
10 44.33.270, 44.33.272, 44.33.275; AS 44.47.010, 44.47.020, 44.47.050, 44.47.051, 44.47.055,  
11 44.47.080, 44.47.090, 44.47.092, 44.47.095, 44.47.100, 44.47.130, 44.47.140, 44.47.145,  
12 44.47.150, 44.47.155, 44.47.250, 44.47.260, 44.47.270, 44.47.280, 44.47.290, 44.47.300,  
13 44.47.305, 44.47.310, 44.47.565, 44.47.567, 44.47.569, 44.47.571, 44.47.573, 44.47.575,  
14 44.47.577, 44.47.579, 44.47.581, 44.47.583, 44.47.700, 44.47.710, 44.47.720, 44.47.730,  
15 44.47.750, 44.47.752, 44.47.754, 44.47.756, 44.47.758, 44.47.760, 44.47.762, 44.47.764,  
16 44.47.766, 44.47.768, 44.47.770, 44.47.772, 44.47.800, 44.47.810, 44.47.820, 44.47.900,  
17 44.47.980, 44.47.998; and AS 45.90.020(b) are repealed.

18 \* **Sec. 71.** REPEALER. AS 44.33.895, added by sec. 55 of this Act, is repealed July 1,  
19 2000.

20 \* **Sec. 72.** TRANSITIONAL PROVISIONS. (a) Litigation, hearings, investigations, and  
21 other proceedings pending under a law repealed or amended by this Act, or in connection with  
22 functions transferred by this Act, continue in effect and may be completed notwithstanding a  
23 transfer or repeal provided for in this Act.

24 (b) Certificates, orders, and regulations in effect on June 30, 1999, that were issued or  
25 adopted under authority of a law amended or repealed by this Act remain in effect for the term  
26 issued and shall be enforced by the agency to which the function is transferred under this Act  
27 until revoked, vacated, or amended by the agency to which the function is transferred.

28 (c) Wherever in Alaska Statutes affected by this Act there is a reference to regulations  
29 adopted under a section of law and there are no regulations adopted under that section because  
30 previous regulations adopted under another section are being enforced under (b) of this section,  
31 the reference shall be construed to refer to the previously adopted regulations until they are  
32 amended by the new agency.

1 (d) Contracts, rights, liabilities, and obligations created by or under a law repealed or  
2 amended by this Act, and in effect on June 30, 1999, remain in effect notwithstanding this Act's  
3 taking effect.

4 (e) Records, equipment, appropriations, and other property of an agency of the state  
5 whose functions are transferred under this Act shall be transferred to implement the provisions  
6 of this Act.

7 \* Sec. 73. REGULATIONS. A department affected by this Act may proceed to adopt  
8 regulations to implement this Act. The regulations take effect under AS 44.62 (Administrative  
9 Procedure Act) but not before July 1, 1999.

10 \* Sec. 74. REVISOR'S INSTRUCTION REGARDING DEPARTMENT OF COMMERCE  
11 AND ECONOMIC DEVELOPMENT. Wherever in the Alaska Statutes and the Alaska  
12 Administrative Code the terms "Department of Commerce and Economic Development" and  
13 "commissioner of commerce and economic development" are used, they shall be read,  
14 respectively, as "Department of Community and Economic Development" and "commissioner  
15 of community and economic development" when to do so would be consistent with the changes  
16 made by this Act.

17 \* Sec. 75. REVISOR'S INSTRUCTION REGARDING DEPARTMENT OF EDUCATION.  
18 Wherever in the Alaska Statutes and the Alaska Administrative Code the terms "Department of  
19 Education" and "commissioner of education" are used, they shall be read, respectively, as  
20 "Department of Education and Child Development" and "commissioner of education and child  
21 development" when to do so would be consistent with the changes made by this Act.

22 \* Sec. 76. REVISOR'S INSTRUCTION REGARDING DEPARTMENT OF LABOR.  
23 Wherever in the Alaska Statutes and the Alaska Administrative Code the terms "Department of  
24 Labor" and "commissioner of labor" are used, they shall be read, respectively, as "Department  
25 of Labor and Workforce Development" and "commissioner of labor and workforce development"  
26 when to do so would be consistent with the changes made by this Act.

27 \* Sec. 77. SPECIFIC INSTRUCTIONS TO REVISOR OF STATUTES CONCERNING  
28 SPECIFIC REFERENCES. The revisor of statutes shall change references to "community and  
29 regional affairs" to read "community and economic development" in the following statutes:

30 (1) AS 08.40.190(b)(2)(A), 08.40.390(b)(2)(A);

31 (2) AS 14.08.031(a), 14.08.051(a); AS 14.17.410(b)(2), 14.17.410(c)(1),  
32 14.17.410(e)(1)(B), 14.17.490(b), 14.17.510(a);

- 1 (3) AS 15.07.055(a)(3); AS 15.13.010(a)(2);  
2 (4) AS 18.26.030(a)(3); AS 18.56.030(a)(2), 18.56.097;  
3 (5) AS 19.30.131(a), 19.30.131(b), 19.30.131(c);  
4 (6) AS 26.23.071(b);  
5 (7) AS 28.01.010(b);  
6 (8) AS 29.60.120(d), 29.60.370(a), 29.60.620(b), 29.60.650(2); AS 29.65.050(c),  
7 29.65.050(d), 29.65.120; AS 29.71.800(5), 29.71.800(8);  
8 (9) AS 37.05.317, 37.05.530(c); AS 37.06.010(g), 37.06.020(l), 37.06.030(c);  
9 (10) AS 41.15.180(a), 41.15.180(b), 41.15.180(f), 41.15.180(g);  
10 (11) AS 42.45.060(c), 42.45.990(1);  
11 (12) AS 43.75.137; AS 43.77.040(b), 43.77.060(d);  
12 (13) AS 44.21.200(a)(2); AS 44.85.030, 44.85.320(b);  
13 (14) AS 46.08.040(a); 46.40.120(b), 46.40.120(d), 46.40.140(c), 46.40.170(a),  
14 46.40.180(a), 46.40.180(d), 46.40.210(5);  
15 (15) AS 47.18.010(c); AS 47.80.090(8).

16 \* **Sec. 78.** IMPLEMENTATION OF SECTIONS 74 - 77 OF THIS ACT. Under  
17 AS 01.05.031, the revisor of statutes shall implement secs. 74 - 77 in the statutes and, under  
18 AS 44.62.125(b)(6), the regulations attorney shall implement secs. 74 - 77 in the administrative  
19 code.

20 \* **Sec. 79.** Except as provided in sec. 80 of this Act, this Act takes effect July 1, 1999.

21 \* **Sec. 80.** Section 73 of this Act takes effect immediately under AS 01.10.070(c).

I-LS0056M  
Lauterbach  
4/23/99

**CS FOR HOUSE BILL NO. 40(FIN)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-FIRST LEGISLATURE - FIRST SESSION**

**BY THE HOUSE FINANCE COMMITTEE**

**Offered:**

**Referred:**

**Sponsor(s): REPRESENTATIVES KOHRING, Cowdery, Austerman, Therriault, Harris, Mulder**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act reorganizing certain departments in the executive branch of state  
2 government and relating to their duties; eliminating and amending certain duties  
3 and programs in the executive branch; establishing in the Office of the Governor  
4 the position of rural affairs advocate; adjusting the membership of certain multi-  
5 member bodies; and providing for an effective date."

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

7 \* **Section 1.** AS 09.25.110(e) is amended to read:

8 (e) Notwithstanding other provisions of this section to the contrary, the Bureau  
9 of Vital Statistics and [,] the library archives in the Department of Education and Child  
10 Development [, AND THE DIVISION OF BANKING, SECURITIES, AND  
11 CORPORATIONS IN THE DEPARTMENT OF COMMERCE AND ECONOMIC  
12 DEVELOPMENT] may continue to charge the same fees that they were [ARE] charging  
13 on September 25, 1990, for performing record searches, and may increase the fees as

1 necessary to recover agency expenses on the same basis that was [IS] used by the  
2 agency immediately before September 25, 1990. Notwithstanding other provisions of  
3 this section to the contrary, the division of banking, securities, and corporations in  
4 the Department of Community and Economic Development may continue to charge  
5 the same fees that the former Department of Commerce and Economic  
6 Development was charging on the effective date of this bill section for performing  
7 record searches and may increase the fees as necessary to recover agency expenses  
8 on the same basis that was used by the former Department of Commerce and  
9 Economic Development immediately before the effective date of this bill section.

10 \* Sec. 2. AS 09.65.170(c)(2) is amended to read:

11 (2) "regional development organization" has the meaning given in  
12 AS 44.33.895 [AS 44.47.900].

13 \* Sec. 3. AS 14.20.165 is amended to read:

14 **Sec. 14.20.165. Restoration of tenure rights.** A teacher who held tenure rights  
15 and who was retired due to disability under AS 14.25.130, but whose disability (1) has  
16 been removed, and the removal of that disability is certified by a competent physician  
17 following a physical or mental examination, or (2) has been compensated for by  
18 rehabilitation or other appropriate restorative education or training, and that rehabilitation  
19 or restoration to health has been certified by the division of vocational rehabilitation of  
20 the Department of Labor and Workforce Development [DEPARTMENT], shall be  
21 restored to full tenure rights in the district from which the teacher was retired, at such  
22 time as an opening for which the teacher is qualified becomes available.

23 \* Sec. 4. AS 14.35.020(b) is amended to read:

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

25 (1) prepare, submit, and supervise the administration of the plans for  
26 vocational education [AND VOCATIONAL REHABILITATION];

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

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

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

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

1 Council established by AS 23.15.550 [AS 44.19.620] regarding employment training  
2 needs and advise that council in the development of vocational education programs.

3 \* **Sec. 5.** AS 14 is amended by adding a new chapter to read:

4 **Chapter 38. Head Start, Child Care, and Day Care.**

5 **Article 1. Head Start.**

6 **Sec. 14.38.010. Operation of Head Start programs.** The Department of  
7 Education and Child Development shall operate the head start funding program governed  
8 by 42 U.S.C. 9835.

9 **Article 2. Day Care Assistance; Child Care Grants.**

10 **Sec. 14.38.100. Powers and duties.** (a) The department shall

11 (1) implement and administer a program to assist in providing day care  
12 for the children of low and moderate income families according to the requirements of  
13 AS 14.38.100 - 14.38.199;

14 (2) establish standards of eligibility for day care benefits;

15 (3) contract for the care of children of eligible families;

16 (4) establish procedures to periodically review the needs of families  
17 receiving day care benefits;

18 (5) provide notification to the local government body of the request for  
19 a contract with a day care facility.

20 (b) The department may

21 (1) adopt regulations necessary for the performance of its duties under  
22 AS 14.38.100 - 14.38.199;

23 (2) contract with other entities to perform duties of the department under  
24 AS 14.38.100 - 14.38.199 within an area specified by the department, within an area,  
25 the department shall give higher priority to contracting with municipalities than with  
26 other organizations.

27 **Sec. 14.38.110. Administrative costs of program contractors.** To defray  
28 administrative expenses, a contractor under AS 14.38.100(b) may only retain \$1,000 or  
29 12 percent, whichever is greater, of the day care assistance program funds it receives  
30 from the department under the contract.

31 **Sec. 14.38.120. Conditions of receipt of benefits.** Benefits may be paid for the  
32 care of children of a low or moderate income family only if a parent or guardian,

1 because of the day care, is freed to work or to seek work or to attend school. Benefits  
2 may not be paid for the care of children of a family where one parent or guardian is not  
3 working, actively seeking work, or attending school and is physically and mentally  
4 capable of caring for the children.

5 **Sec. 14.38.130. Eligibility of families for benefits.** The department shall  
6 determine the eligibility of families for day care benefits on the basis of the following  
7 factors:

- 8 (1) income of the family including salary, alimony, child support,  
9 retirement benefits, social security, and any other source of income;  
10 (2) number of children in the family;  
11 (3) whether there is one parent or guardian solely responsible for the care  
12 of the family.

13 **Sec. 14.38.140. Contributions by parent or guardian.** The department shall  
14 develop a sliding fee scale based on the factors listed in AS 14.38.130 for purposes of  
15 determining the amount to be contributed by the parent or guardian for child care. The  
16 contribution of the parent or guardian shall be paid to the day care facility.

17 **Sec. 14.38.150. Placement; payment by state.** (a) Parents or guardians shall  
18 select the day care facility for the care of their children.

19 (b) Benefits shall be paid by the department directly to the municipality or  
20 organization contracting with the day care facility.

21 **Sec. 14.38.160. Child care grant program.** (a) A child care grant program  
22 is established in the department to provide state assistance in the operation of child care  
23 facilities. The department shall provide grants for the operation of child care facilities,  
24 including private nonprofit child care facilities. Participation in the program is optional.

25 (b) To qualify for a grant under (a) or (d) of this section, the child care facility  
26 must

27 (1) be currently licensed under AS 47.35 and applicable municipal  
28 licensing requirements;

29 (2) participate in the day care assistance program under AS 14.38.100 -  
30 14.38.199; and

31 (3) provide care under a payment system as provided in (g) of this  
32 section.

1 (c) A grant under (a) of this section may not exceed \$50 per month for each  
2 child the child care facility cares for, or for each full-time equivalent, as determined by  
3 the department. The grant shall be adjusted on a geographic basis by the same factor  
4 as funding for a school district is adjusted under AS 14.17.460.

5 (d) In addition to the grants provided in (a) of this section, the department may,  
6 subject to appropriations for that purpose, provide by grant or contract for the education  
7 and training of child care employees or administrators. To receive a grant or contract  
8 under this subsection or to participate in a training program under this subsection, the  
9 child care facility must meet all the requirements of (b) of this section.

10 (e) An application for a grant under this section shall be made in the form  
11 established by the department.

12 (f) A grant under (a) of this section shall be made monthly or quarterly and shall  
13 be based on the monthly average daily full-time equivalent enrollment in the child care  
14 facility. If the method of payment for the grant is other than monthly, it shall be at the  
15 request of the child care facility with the approval of the department. Based on criteria  
16 established by the department, the department may make quarterly advance payments.

17 (g) Each child care facility receiving a grant under (a) or (d) of this section shall  
18 assure that at least 15 percent or one of its child care spaces receiving subsidy under this  
19 section, whichever is greater, will be made available, if requested, to children eligible  
20 for day care assistance under AS 14.38.100 - 14.38.199, whose parents or guardians wish  
21 to pay for care based on attendance only.

22 (h) The commissioner shall, in consultation with interested child care providers  
23 and parents, adopt regulations to carry out the purposes of this section.

24 **Sec. 14.38.199. Definitions.** In AS 14.38.100 - 14.38.199,

25 (1) "child" means a person below 13 years of age, or a minor who has  
26 a developmental disability;

27 (2) "child care facility" means an establishment licensed under AS 47.35  
28 including but not limited to day care centers, family day care homes, and schools for  
29 preschool age children, which provides care for children not related by blood, marriage,  
30 or legal adoption to the owner, operator, or manager of the facility;

31 (3) "day care" means the care, supervision, and guidance of a child or  
32 children unaccompanied by a parent or legal guardian on a regular basis for periods of

1 less than 24 hours a day;

2 (4) "day care facility" means a center or home licensed in accordance  
3 with the provisions of AS 47.35 or recognized by the federal government for the care  
4 of children;

5 (5) "department" means the Department of Education and Child  
6 Development;

7 (6) "developmental disability" means a disability under which a person  
8 is incapable of self-care, as verified by a physician or licensed or certified psychologist  
9 who has examined the person.

10 **Article 3. Child Care Facility Revolving Loan Fund.**

11 **Sec. 14.38.200. Child care facility revolving loan fund.** (a) There is created  
12 in the Department of Education and Child Development the child care facility revolving  
13 loan fund to carry out the purposes of AS 14.38.200 - 14.38.299. Except as provided  
14 in (b) and (c) of this section, the fund may not be used for any other purpose.

15 (b) The department may use money in the fund for costs of administering  
16 AS 14.38.200 - 14.38.299.

17 (c) On June 30 of each fiscal year, the unexpended and unobligated cash balance  
18 of the fund that is attributable to loans owned by the fund lapses into the general fund.

19 **Sec. 14.38.210. Special account established.** (a) There is established as a  
20 special account within the child care facility revolving loan fund the foreclosure expense  
21 account. This account is established as a reserve from fund equity.

22 (b) The commissioner may expend money credited to the foreclosure expense  
23 account when necessary to protect the state's security interest in collateral on loans made  
24 under AS 14.38.220 or to defray expenses incurred during foreclosure proceedings after  
25 a default by an obligor.

26 **Sec. 14.38.220. Powers and duties of the department in administering the**  
27 **fund.** (a) The department may

28 (1) make loans for the construction, renovation, and equipping of child  
29 care facilities, including private nonprofit child care facilities;

30 (2) adopt regulations necessary to carry out the provisions of  
31 AS 14.38.200 - 14.38.299, including regulations to establish reasonable fees for services  
32 provided and charges for collecting the fee; and

1 (3) collect the fees and charges established under this subsection.

2 (b) The department shall

3 (1) develop eligibility standards for loans to child care facilities;

4 (2) adopt guidelines for the determination of loan terms.

5 **Sec. 14.38.230. Loan terms.** (a) A loan to a child care facility under  
6 AS 14.38.200 - 14.38.299 may not exceed \$50,000.

7 (b) The rate of interest charged shall be seven percent a year on the unpaid  
8 balance of the loan.

9 (c) The duration for repayment of a loan may not exceed 20 years.

10 (d) All principal and interest payments, and any money chargeable to principal  
11 or interest that is collected through liquidation by foreclosure or other process on loans  
12 made under AS 14.38.200 - 14.38.299, shall be paid into the child care facility revolving  
13 loan fund.

14 (e) If a child care facility ceases operation, any loan to the facility from the fund  
15 is due on the date the facility ceases operation.

16 **Sec. 14.38.240. Eligibility for loans.** A child care facility is eligible for a loan  
17 under AS 14.38.200 - 14.38.299 if the applicant

18 (1) submits to the department a plan for the use of the loan funds that  
19 is approved by the commissioner; and

20 (2) meets additional eligibility standards established by the department  
21 under AS 14.38.220(b)(1).

22 **Sec. 14.38.250. Sale or transfer of mortgages and notes.** The commissioner  
23 may sell or transfer at par value or at a premium to a bank or other private purchaser  
24 for cash or other consideration the mortgages and notes held by the department as  
25 security for loans made under AS 14.38.200 - 14.38.299.

26 **Sec. 14.38.260. Disposal of property acquired by default or foreclosure.** The  
27 department shall dispose of property acquired through default or foreclosure of a loan  
28 made under AS 14.38.200 - 14.38.299. Disposal shall be made in a manner that serves  
29 the best interests of the state and may include the amortization of payments over a  
30 period of years.

31 **Sec. 14.38.299. Definitions.** In AS 14.38.200 - 14.38.299,

32 (1) "child care facility" means an establishment the principal purpose of

1 which is to provide care for children not related by blood, marriage, or legal adoption,  
2 including but not limited to day care centers, family day care homes, and schools for  
3 preschool age children;

4 (2) "department" means the Department of Education and Child  
5 Development.

6 \* **Sec. 6.** AS 14.42.015(a) is amended to read:

7 (a) There is in the Department of Education and Child Development the Alaska  
8 Commission on Postsecondary Education consisting of

9 (1) two members of the Board of Regents of the University of Alaska  
10 designated by the members of that body;

11 (2) one person representing private higher education in the state selected  
12 jointly by the Boards of Trustees of Alaska Pacific University and Sheldon Jackson  
13 College from among their membership;

14 (3) one person representing the Department of Education and Child  
15 Development selected by the state Board of Education;

16 (4) four persons broadly and equitably representative of the general  
17 public appointed by the governor;

18 (5) one member of the Alaska Human Resource Investment Council  
19 established by AS 23.15.550 [AS 44.19.620] designated by the members of that body;

20 (6) one person from the members of the local community college  
21 advisory councils appointed by the governor;

22 (7) two members from the legislature, one of whom shall be appointed  
23 by the president of the senate and one by the speaker of the house of representatives;

24 (8) one person appointed in accordance with (e) of this section who is  
25 a full-time student as defined in AS 14.43.160;

26 (9) one administrator appointed by the governor from a proprietary  
27 institution of postsecondary education that has an authorization to operate in the state  
28 issued under AS 14.48.

29 \* **Sec. 7.** AS 18.70.081 is amended to read:

30 **Sec. 18.70.081. Approval of fire protection systems.** Before October 30 of  
31 each year the Department of Public Safety shall prepare and make available a list of  
32 approved fire protection systems to [THE DEPARTMENT OF COMMUNITY AND

1 REGIONAL AFFAIRS,] the Department of Community [COMMERCE] and Economic  
2 Development [,] and the public.

3 \* **Sec. 8.** AS 23.05 is amended by adding a new section to read:

4 **Sec. 23.05.065. Fees for publications, research data, and other services.** The  
5 commissioner may establish by regulation and the department may charge reasonable  
6 fees for department publications, research data, and other centralized administrative  
7 services to cover the cost of reproduction, printing, mailing, distribution, and other  
8 centralized administrative services.

9 \* **Sec. 9.** AS 23.05 is amended by adding new sections to read:

10 **Article 6. Business Incentive Training Program.**

11 **Sec. 23.05.400. Business incentive training program established.** (a) There  
12 is established in the department the business incentive training program. The incentive  
13 program shall be administered as a supplement to the Job Training Partnership Act (P.L.  
14 No. 97-300).

15 (b) The purpose of the incentive program is to encourage private industry to  
16 provide new job opportunities by offering assistance in training the new work force and  
17 in retraining existing employees to implement new technologies.

18 **Sec. 23.05.410. Administration.** (a) The Alaska Human Resource Investment  
19 Council established in AS 23.15.550 shall oversee the incentive program. The service  
20 delivery areas established under 29 U.S.C. 1511 and subject to redesignation under 29  
21 U.S.C. 1515 shall be used in the administration of the incentive program. The private  
22 industry councils appointed under 29 U.S.C. 1512 and subject to reconstitution under 29  
23 U.S.C. 1515 shall serve as the private industry councils for the incentive program.

24 (b) The council shall divide appropriations for the incentive program equally  
25 among the private industry councils. If a private industry council lacks sufficient money  
26 to fund a proposal, the private industry council may apply to the council for additional  
27 funding. The council may approve reallocation of money from one service delivery area  
28 to another to fund a particular proposal if it finds that the reallocation will best serve the  
29 purposes of the program.

30 (c) The council shall adopt regulations under AS 44.62 (Administrative  
31 Procedure Act) to implement AS 23.05.400 - 23.05.510.

32 **Sec. 23.05.420. Business incentive training plan.** (a) A private industry

1 council shall adopt a business incentive training plan for the service delivery area. The  
2 plan must extend for two years to coincide with the term for the Job Training  
3 Partnership Act (P.L. 97-300) and must contain

4 (1) identification of the entity or entities that will administer the  
5 incentive program and be the grant recipient for grants from the state;

6 (2) a description of the services to be provided, including the estimated  
7 duration of service and the estimated training cost per participant;

8 (3) procedures for identifying and selecting participants;

9 (4) performance goals established in accordance with standards under  
10 AS 23.05.480;

11 (5) procedures for awarding grants to businesses; and

12 (6) the budget for two program years and any proposed expenditures for  
13 the succeeding two program years in as much detail as required by the grant  
14 administrator designated under AS 23.05.440.

15 (b) If changes in labor market conditions, funding, or other factors require  
16 substantial deviation from an approved business incentive training plan, the private  
17 industry council and the appropriate elected municipal official or officials shall submit  
18 a modification of the plan and the budget for review under AS 23.05.430.

19 **Sec. 23.05.430. Review and approval of business incentive training plan.**

20 The business incentive training plan shall be published and made available for review  
21 and comment as an attachment to the job training plan as set out in 29 U.S.C. 1515.  
22 The business incentive training plan is subject to review and approval by the governor.

23 **Sec. 23.05.440. Business incentive training grants.** (a) Each private industry  
24 council shall designate an administrative entity to be the grant recipient and  
25 administrator for the region. An employer may apply to the grant administrator for a  
26 business incentive grant if the employer is a private for-profit or nonprofit corporation,  
27 partnership, or sole proprietor business. The grant administrator shall review  
28 applications and award grants.

29 (b) Each grant administrator is responsible for the allocation of funds and the  
30 eligibility of those enrolled in its programs. The grant administrator is responsible for  
31 taking action against its subcontractors, subgrantees, and other recipients to eliminate  
32 abuses in the programs they are carrying out, and to prevent misuse of funds. If the

1 arrangement is included in an approved job training plan, a grant administrator may  
2 delegate the responsibility for determining eligibility under reasonable safeguards,  
3 including provisions for reimbursement of costs incurred because of erroneous  
4 determinations made with insufficient care.

5 (c) A business incentive training grant shall be used to recruit and train eligible  
6 employees for newly created permanent or permanent seasonal positions or to enable  
7 existing employees to acquire the skills necessary to qualify the employee to implement  
8 new technologies. A business incentive training grant may be used for occupations for  
9 which there is a demand in the area served or in another area to which the participant  
10 is willing to relocate and for emerging technologies in the state. In selecting recruiting  
11 and training programs, the private industry councils and the grant administrators may  
12 consider whether the occupation in which recruiting or training is sought is in a sector  
13 of the economy that has a high potential for sustained demand or growth.

14 (d) Only individuals eligible under the business incentive training plan and  
15 residing in the service delivery area may be participants in employment and training  
16 activities funded under the business incentive training program. To be eligible for  
17 training or education services under AS 23.05.400 - 23.05.510, immediately before  
18 beginning training or education under the program a person shall

19 (1) have been unemployed and

20 (A) receiving unemployment insurance benefits; or

21 (B) have exhausted the right to unemployment insurance benefits

22 within the past three years;

23 (2) be liable to be displaced from work within the next six months

24 because of

25 (A) reductions in overall employment within the business;

26 (B) elimination of the person's current job; or

27 (C) a change in the conditions of the employee's job requiring

28 that, to remain employed, the employee must have substantially different skills

29 that the employee does not now possess; or

30 (3) have worked in a position covered by AS 23.20 at any time during  
31 the last three years and be ineligible for unemployment insurance benefits because the  
32 person

1 (A) was working in a seasonal, temporary, part-time, or other  
2 marginal employment;

3 (B) has insufficient qualifying wages because of limited job  
4 opportunities; or

5 (C) is employed, but, because the person is underemployed, the  
6 person needs employment assistance and training to obtain full employment.

7 (e) Payments to employers for on-the-job training of participants who experience  
8 multiple barriers to employment or are eligible under the Job Training Partnership Act  
9 (P.L. 97-300) may not average more than 80 percent of the wages paid by the employer  
10 to the participant. Payments to employers for on-the-job training of other participants  
11 may not average more than 50 percent of the wages paid by the employer to participants.  
12 The payments shall be considered to be in compensation for the extraordinary costs  
13 associated with training employees for new positions and the lower productivity of the  
14 participants.

15 (f) A grant made under the business incentive training program may not be used  
16 to duplicate facilities or services available in the area from federal, state, or local sources  
17 unless the business incentive training plan establishes that services or facilities under the  
18 program would be more effective or more likely to achieve performance goals.

19 (g) A fee may not be charged for placing an individual in or referring an  
20 individual to a training program under AS 23.05.400 - 23.05.510.

21 (h) A business incentive training grant may not be awarded to a program that  
22 involves political activities.

23 (i) An employer at whose request a participant is offered training shall fulfill the  
24 obligation to offer a successful participant in the business incentive training program a  
25 position or promotion, as applicable. A participant is considered successful if the  
26 participant satisfactorily completes the training program in which the participant was  
27 enrolled.

28 **Sec. 23.05.450. Compensation for participants.** (a) A trainee may not receive  
29 a payment for training activities in which the trainee fails to participate.

30 (b) An individual in on-the-job training shall be compensated by the employer  
31 at the same rates, including periodic increases, as similarly situated employees or  
32 trainees and in accordance with applicable law. However, an individual may not be paid

1 less than the state minimum wage under AS 23.10.065 whether or not the individual is  
2 exempt under AS 23.10.055 or 23.10.070.

3 (c) An individual employed in activities authorized under the business incentive  
4 training program other than on-the-job training shall be paid wages that are not less than  
5 the highest of

6 (1) the state minimum wage under AS 23.10.065;

7 (2) the prevailing rate of pay for individuals employed in similar  
8 occupations by the same employer; or

9 (3) the prevailing rate of wages under AS 36.05 or 40 U.S.C. 276a -  
10 276a-5, if applicable.

11 (d) Allowances, earnings, and payments to individuals participating in programs  
12 under the business incentive training program may not be considered as income in  
13 determining eligibility for and the amount of income transfer and in-kind aid furnished  
14 under a state program based on need, other than programs under the Social Security Act.

15 (e) Conditions of employment and training must be appropriate and reasonable  
16 in light of factors including the type of work, geographical region, and proficiency of  
17 the participant.

18 (f) An individual employed in a subsidized job under the business incentive  
19 training program shall be provided benefits and working conditions at the same level and  
20 to the same extent as other employees working a similar length of time and doing the  
21 same type of work.

22 (g) Money from a grant under the business incentive training program may not  
23 be used for contributions on behalf of a participant to retirement systems or plans.

24 **Sec. 23.05.460. Reporting and record keeping.** (a) A grant administrator shall  
25 maintain records of each participant's enrollment in a business incentive training  
26 program in sufficient detail to demonstrate compliance with AS 23.05.400 - 23.05.510.

27 (b) The council shall adopt regulations concerning retention of records.

28 (c) The council shall, no later than February 1 of each year, prepare a report  
29 concerning the incentive program and notify the legislature that the report is available.

30 **Sec. 23.05.470. Allowable costs.** (a) To be allowable, a cost must be necessary  
31 and reasonable for proper and efficient administration of the program. The following  
32 costs are not allowable:

1 (1) costs resulting from violations of or failure to comply with federal,  
2 state, or local laws and regulations;  
3 (2) entertainment costs; and  
4 (3) insurance policies offering protection against debts established by the  
5 federal government.

6 (b) Personal liability insurance for members of the private industry council is  
7 an allowable cost.

8 **Sec. 23.05.480. Performance standards.** (a) The basic measure of  
9 performance for training programs under AS 23.05.400 - 23.05.510 is the increase in  
10 jobs in the area and in employment and earnings for participants resulting from  
11 participation in the program. In order to determine whether these standards are  
12 achieved, the governor shall adopt standards based on appropriate factors.

13 (b) The governor shall provide technical assistance to programs that do not meet  
14 performance criteria. If a program fails to meet performance standards for two  
15 consecutive years, the governor shall withdraw unencumbered funds from the program.

16 (c) An interested party who is harmed by a change made under this section is  
17 entitled to a hearing under AS 44.62 (Administrative Procedure Act).

18 **Sec. 23.05.490. Limitation on certain costs.** No more than 15 percent of the  
19 money available to a service delivery area for a fiscal year may be expended for the cost  
20 of administration. For purposes of this section, costs of program support, including  
21 counseling, that are directly related to the provision of education or training to  
22 participants may not be counted as part of the cost of administration.

23 **Sec. 23.05.500. Selection of service providers.** (a) The primary consideration  
24 in selecting agencies or organizations to deliver services within a service delivery area  
25 is the effectiveness of the agency or organization in delivering comparable or related  
26 services based on demonstrated performance, in terms of the likelihood of meeting  
27 performance goals, cost, quality of training, and characteristics of participants. In  
28 complying with this subsection, proper consideration shall be given to community based  
29 organizations as service providers.

30 (b) Appropriate education agencies in the service delivery area shall be given  
31 the opportunity to provide educational services, unless the grant administrator determines  
32 that alternative agencies or organizations would be more effective or would have greater

1 potential to enhance the participants' continued occupational and career growth.

2 (c) The grant administrator may not fund an occupational skills training program  
3 unless the level of skills provided in the program is in accordance with guidelines  
4 established by the private industry council.

5 **Sec. 23.05.510. Definitions.** In 23.05.400 - 23.05.510,

6 (1) "council" means the Alaska Human Resource Investment Council  
7 established in AS 23.15.550;

8 (2) "incentive program" means the business incentive training program  
9 established under AS 23.05.400;

10 (3) "participant" means an individual receiving education or training,  
11 including on-the-job training, under an incentive program grant.

12 \* **Sec. 10.** AS 23.15.010 is amended to read:

13 **Sec. 23.15.010. Administration of vocational rehabilitation [BOARD OF**  
14 **VOCATIONAL REHABILITATION].** The commissioner shall [BOARD OF  
15 EDUCATION WHICH ADMINISTERS THE PROGRAM OF VOCATIONAL  
16 EDUCATION IS DESIGNATED AS THE BOARD OF VOCATIONAL  
17 REHABILITATION TO] administer the vocational rehabilitation program.

18 \* **Sec. 11.** AS 23.15.020 is amended to read:

19 **Sec. 23.15.020. Powers and duties of commissioner [BOARD].** (a) The  
20 commissioner [BOARD] may cooperate with a federal agency, as provided and required  
21 by federal law for vocational rehabilitation.

22 (b) The commissioner [BOARD] shall comply with the federal laws and the  
23 conditions necessary to secure the full benefit of the federal vocational rehabilitation  
24 laws, and shall do all things necessary to entitle the state to receive the benefits of the  
25 federal laws.

26 (c) The commissioner [BOARD] may do all the things and adopt the  
27 regulations that are necessary to carry out the federal laws and the purposes of  
28 AS 23.15.010 - 23.15.210.

29 \* **Sec. 12.** AS 23.15.030 is amended to read:

30 **Sec. 23.15.030. Appointment of administrative officers.** The commissioner  
31 [BOARD] may appoint administrative officers [,] and delegate to them the authority  
32 necessary to carry out AS 23.15.010 - 23.15.210.

1 \* **Sec. 13.** AS 23.15.040 is amended to read:

2           **Sec. 23.15.040. Division of vocational rehabilitation established.** The division  
3 of vocational rehabilitation is established under the commissioner [BOARD OF  
4 VOCATIONAL REHABILITATION] to carry out AS 23.15.010 - 23.15.210.

5 \* **Sec. 14.** AS 23.15.050 is amended to read:

6           **Sec. 23.15.050. Director of vocational rehabilitation.** The commissioner  
7 [BOARD] shall appoint a director of the division of vocational rehabilitation. The  
8 director has the administrative authority delegated by the commissioner [BOARD] and  
9 necessary to carry out AS 23.15.010 - 23.15.210 and the regulations and policies adopted  
10 by the commissioner [BOARD].

11 \* **Sec. 15.** AS 23.15.060(a) is amended to read:

12           (a) The commissioner [BOARD] acting through the division of vocational  
13 rehabilitation may enter into necessary agreements on behalf of the state with the  
14 Secretary of Health and Human Services to carry out the provisions of the federal Social  
15 Security Act, as amended, and as it is subsequently amended, relating to the making of  
16 determinations of disability under Title II and Title XVI of that Act.

17 \* **Sec. 16.** AS 23.15.070 is amended to read:

18           **Sec. 23.15.070. Personnel policies.** The commissioner [BOARD] shall adopt  
19 personnel policies for the division of vocational rehabilitation. The director shall  
20 execute these policies and keep them on file.

21 \* **Sec. 17.** AS 23.15.160 is amended to read:

22           **Sec. 23.15.160. Gifts.** The commissioner [BOARD] may accept a gift or  
23 donation from a public or a private source that is offered unconditionally for carrying  
24 out AS 23.15.010 - 23.15.210. The commissioner [BOARD] may accept a conditional  
25 gift if, in the judgment of the agency, the conditions are proper and consistent with  
26 AS 23.15.010 - 23.15.210.

27 \* **Sec. 18.** AS 23.15 is amended by adding new sections to read:

28           **Article 3A. Alaska Human Resource Investment Council.**

29           **Sec. 23.15.550. Alaska Human Resource Investment Council.** (a) The  
30 Alaska Human Resource Investment Council is established in the department. The  
31 council consists of the following voting members, not to exceed 26:

32                   (1) the lieutenant governor or the lieutenant governor's designee;

1 (2) the commissioners of community and economic development,  
2 education and child development, health and social services, and labor and workforce  
3 development, or each respective commissioner's designee;

4 (3) one representative from the University of Alaska;

5 (4) four additional representatives of education, with one from local  
6 public education, one from secondary vocational education, one from a postsecondary  
7 vocational education institution, and one from adult basic education;

8 (5) four representatives of business and industry, with at least one  
9 representative from the private industry councils appointed under 29 U.S.C. 1512 and  
10 subject to reconstitution under 29 U.S.C. 1515;

11 (6) four representatives of organized labor that the governor shall appoint  
12 from lists of nominees submitted by recognized state labor organizations; the governor  
13 may reject a list submitted under this paragraph and request that another list be  
14 submitted;

15 (7) at least one representative from an organization representing  
16 employment and training needs of Alaska Natives;

17 (8) at least one representative of a community-based service organization;

18 (9) at least one representative who has personal or professional  
19 experience with developmental disabilities; and

20 (10) at least one and up to five additional members of the private sector  
21 to ensure a private sector majority and regional and local representation on the council.

22 (b) Additional nonvoting members may be appointed to the council from  
23 government or nongovernment entities.

24 (c) A member of the council under (a) of this section may appoint a designee  
25 to serve in place of the member named in (a) of this section. The member shall appoint  
26 the designee in writing.

27 **Sec. 23.15.555. Appointment and term of members.** (a) Members of the  
28 Alaska Human Resource Investment Council other than those listed in  
29 AS 23.15.550(a)(1) and (2) are appointed by the governor and serve at the pleasure of  
30 the governor. The governor may appoint one person to fill two or more of the places  
31 listed in AS 23.15.550(a) if the person is qualified in all of the areas the person  
32 represents. A member appointed to fill more than one place under this subsection is

1 entitled to only one vote and may appoint only one designee to replace the member in  
2 the event the member is unable to attend a meeting.

3 (b) The voting members of the council other than those listed in  
4 AS 23.15.550(a)(1) and (2) serve for staggered four-year terms and may serve until a  
5 successor is appointed. An appointment to fill a vacancy shall be made in the same  
6 manner as the original appointment and for the balance of the unexpired term.

7 (c) The governor shall ensure that individuals appointed to the council have  
8 sufficient expertise to effectively carry out the duties of the council. Expertise of the  
9 council includes, where appropriate, knowledge of the long-term needs of individuals  
10 preparing to enter the work force; the needs of local, state, and regional labor markets;  
11 and the methods for evaluating the effectiveness of vocational training programs in  
12 serving varying populations.

13 **Sec. 23.15.560. Compensation.** Members of the Alaska Human Resource  
14 Investment Council listed in or appointed under AS 23.15.550(a), including a designee  
15 of a member attending in place of the member, serve without compensation but are  
16 entitled to per diem and travel expenses authorized by law for boards and commissions  
17 under AS 39.20.180. Nonvoting members of the council appointed under  
18 AS 23.15.550(b) serve without compensation and are not entitled to per diem and travel  
19 expenses. A commissioner appointed under AS 23.15.550(a)(2) or the commissioner's  
20 designee is entitled to per diem and travel expenses as a state employee.

21 **Sec. 23.15.565. Officers.** The Alaska Human Resource Investment Council  
22 shall elect a chair and a vice-chair from among the members listed in or appointed under  
23 AS 23.15.550(a)(5). The chair and vice-chair serve in their positions at the pleasure of  
24 the council.

25 **Sec. 23.15.570. Meetings, quorum, and committees.** (a) The Alaska Human  
26 Resource Investment Council shall meet not more than three times in a calendar year at  
27 the call of the chair to conduct its business. A majority of the members listed in or  
28 appointed to the council under AS 23.15.550(a) constitutes a quorum.

29 (b) The council shall establish an executive committee and four permanent  
30 standing committees as described in (c) - (g) of this section. The chair of a permanent  
31 standing committee must be from the private sector. The council may establish  
32 additional standing committees and special committees or subcommittees, not necessarily

1 consisting of council members, to advise and assist the council in carrying out its  
2 functions assigned by federal or state statute. The permanent standing committees are

- 3 (1) the assessment and evaluation committee;
- 4 (2) the policy and planning committee;
- 5 (3) the employment and placement committee; and
- 6 (4) the workforce readiness committee.

7 (c) The executive committee consists of the chair and vice-chair of the council,  
8 the immediate past chair of the council, and the chairs of the four standing committees  
9 described in (d) - (g) of this section. The executive committee has the duties and may  
10 exercise the powers of the council between meetings of the council. The executive  
11 committee shall

- 12 (1) report to the council in a timely fashion on actions taken on behalf  
13 of the council; and
- 14 (2) supervise the affairs of the council between regular meetings of the  
15 council.

16 (d) The assessment and evaluation committee shall

- 17 (1) assess and evaluate programs, initiatives, and the delivery of services  
18 to help to ensure equitable distribution of quality education, training, and employment  
19 services statewide, especially to rural areas and to programs serving economically  
20 disadvantaged citizens;
- 21 (2) call for and monitor the workforce development system for increased  
22 accountability in performance and continuous quality improvement along the goals and  
23 strategies of the council's overall statewide strategic plan for workforce development;
- 24 (3) use evaluation and performance measures to gauge customer  
25 satisfaction within the workforce development system; and
- 26 (4) perform other duties assigned by the council.

27 (e) The policy and planning committee shall

- 28 (1) build policies regarding day-to-day operations and long-term  
29 responsibilities of the council;
- 30 (2) work to increase awareness of the council and its mission throughout  
31 the state;
- 32 (3) work with all other committees on a statewide strategic plan for

1 workforce development; and

2 (4) perform other duties assigned by the council.

3 (f) The employment and placement committee shall

4 (1) ensure the statewide strategic plan for workforce development  
5 addresses

6 (A) customer needs at the local level;

7 (B) moving welfare recipients into the workforce;

8 (C) promoting the hiring of state residents in jobs that have  
9 traditionally been filled by out-of-state workers;

10 (D) tailoring employment and training programs to suit state  
11 business, industry, and economic development needs;

12 (2) monitor the coordination of service delivery to promote efficiency  
13 and to prevent overlap of services among programs; and

14 (3) perform other duties assigned by the council.

15 (g) The workforce readiness committee shall

16 (1) provide oversight for training, education, and employment programs  
17 to ensure the programs are delivering education and training that is relevant to local  
18 market needs and the career goals of state residents;

19 (2) build partnerships between employers and quality workforce training  
20 programs;

21 (3) work to connect the state public and private education systems with  
22 business, government, and labor to ensure that state residents are receiving workforce  
23 readiness skills throughout the education process; and

24 (4) perform other duties assigned by the council.

25 **Sec. 23.15.575. Council as state planning entity.** The Alaska Human Resource  
26 Investment Council shall act as the lead state planning and coordinating entity for state  
27 human resource programs administered under

28 (1) 29 U.S.C. 1501 - 1792b (Job Training Partnership Act);

29 (2) 20 U.S.C. 2301 - 2471 (Carl D. Perkins Vocational and Applied  
30 Technology Education Act);

31 (3) 20 U.S.C. 1201 - 1213d (Adult Education Act);

32 (4) 29 U.S.C. 49 - 491-1 (Wagner - Peysen Act);

1 (5) 42 U.S.C. 681 - 687 (Job Opportunities and Basic Skills Training  
2 Program) for needy families with children under the Social Security Act;

3 (6) the employment program established under 7 U.S.C. 2015(d)(4)  
4 (Food Stamp Act of 1977);

5 (7) all federal programs designated as successors to the programs listed  
6 in (1) - (6) of this section; and

7 (8) all state laws involving employment training, vocational education,  
8 workforce development, and community service.

9 **Sec. 23.15.580. Functions of the council.** (a) As the lead state planning and  
10 coordinating entity, the Alaska Human Resource Investment Council has responsibility,  
11 to the extent authorized by federal and state law, for planning and coordinating federal,  
12 state, and local efforts in human resource programs in this state related to employment  
13 training, including the work activities of the Alaska temporary assistance program under  
14 AS 47.27.

15 (b) The council shall

16 (1) facilitate the development of statewide policy for a coordinated and  
17 effective employment training and education system in this state;

18 (2) identify the human resource investment needs in the state and  
19 develop a plan to meet those needs;

20 (3) review the provision of services and the use of money and resources  
21 by the human resource programs listed in AS 23.15.575;

22 (4) assume the duties and functions of the state councils described under  
23 the laws relating to the federal human resource programs listed in AS 23.15.575;

24 (5) advise the governor, state and local agencies, and the University of  
25 Alaska on the development of state and local standards and measures relating to  
26 applicable human resource programs;

27 (6) submit, to the governor and the legislature, a biennial strategic plan  
28 to accomplish the goals developed to meet human resource investment needs;

29 (7) monitor for the implementation and evaluate the effectiveness of the  
30 strategic plan developed by the council;

31 (8) adopt regulations that set standards for the percentage of a grant that  
32 may be used for administrative costs; the regulations must clearly identify and

1 distinguish between expenses that may be included in administrative costs and those that  
2 may not be included in administrative costs; the percentage allowed for administrative  
3 costs may not exceed the lesser of 15 percent or the amount permitted under the  
4 requirements of a federal program, if applicable;

5 (9) report annually to the legislature, by the 30th day of the regular  
6 legislative session, on the performance and evaluation of training programs in the state  
7 subject to review under (f) of this section;

8 (10) identify ways for agencies operating programs subject to oversight  
9 by the council to share resources, instructors, and curricula through collaboration with  
10 other public and private entities to increase training opportunities and reduce costs; and

11 (11) adopt regulations under AS 44.62 (Administrative Procedure Act)  
12 to carry out the purposes of AS 23.15.550 - 23.15.585.

13 (c) The council may receive money designated for human resource programs and  
14 may disburse money, including grants, to human resource projects in accordance with  
15 AS 37.07 (Executive Budget Act). The council may enter into partnership agreements  
16 through appropriate administrative agencies with private industry training entities within  
17 the state in order to facilitate the coordination of training opportunities.

18 (d) The council shall provide oversight for the planning and coordination of  
19 employment-related education training programs operated by the state or operated under  
20 contract with the state that are described in (f) of this section. The council shall require  
21 a training program listed in (f) of this section to meet the requirements of this  
22 subsection. The council shall, by regulation, establish appropriate penalties for programs  
23 that fail to meet the requirements of this subsection. The council may recommend to  
24 the legislature changes to enhance the effectiveness of the training programs it oversees  
25 under this section. A training program described in (f) of this section funded with  
26 money appropriated by the legislature must

27 (1) meet the standards adopted by the council concerning the percentage  
28 of a grant that may be spent on administrative costs;

29 (2) be operated by an institution that holds a valid authorization to  
30 operate issued under AS 14.48 by the Alaska Commission on Postsecondary Education  
31 if the program is a postsecondary educational program operated by a postsecondary  
32 educational institution subject to regulation under AS 14.48;

1 (3) provide to the Department of Labor and Workforce Development the  
2 information required by the department for the preparation of the statistical information  
3 necessary for the council to evaluate programs by the standards set out in (e) of this  
4 section.

5 (e) The council shall develop standards that encourage agencies to contract for  
6 training programs that maximize the program's class size. The council shall adopt  
7 standards for the evaluation of training programs listed in (f) of this section with regard  
8 to the following:

9 (1) the percent of former participants who have a job one year after  
10 leaving the training program;

11 (2) the median wage of former participants seven to 12 months after  
12 leaving the program;

13 (3) the percent of former participants who were employed after leaving  
14 the training program who received training under the program that was related to their  
15 jobs or somewhat related to their jobs seven to 12 months after leaving the training  
16 program;

17 (4) the percent of former participants of a training program who indicate  
18 that they were satisfied with or somewhat satisfied with the overall quality of the  
19 training program;

20 (5) the percent of employers who indicate that they were satisfied with  
21 the quality of the work of new employees who had recently completed the training  
22 program.

23 (f) The following training programs are subject to the provisions of (d) and (e)  
24 of this section:

25 (1) in the Department of Labor and Workforce Development or operated  
26 by the department:

27 (A) One Stop Career Center;

28 (B) Job Training Partnership Act programs under 29 U.S.C. 1501  
29 - 1792b, assisting communities in moving toward a self-sustainable economy and  
30 providing training;

31 (C) state training and employment program (AS 23.15.620),  
32 providing training and employment services for people who are unemployed or

1 likely to become unemployed, fostering new jobs, and increasing training  
2 opportunities for workers severely affected by fluctuations in the state economy  
3 or adversely affected by technology advances in the workplace;

4 (D) employment-related adult basic education;

5 (E) School-to-Work;

6 (F) employment training services operated as part of the Alaska  
7 Temporary Assistance Program (ATAP);

8 (G) unemployment insurance grants provided under the federal  
9 training relocation assistance program;

10 (H) Alaska works programs, assisting with the welfare-to-work  
11 program;

12 (I) state training and employment program, coordinated with the  
13 Department of Community and Economic Development;

14 (2) in the Department of Education and Child Development or operated  
15 by the department, the non-public-school portions of the following programs:

16 (A) high school completion project;

17 (B) Kotzebue Technical Center;

18 (C) Alaska Vocational Technical Center;

19 (D) vocational education and Tech Prep;

20 (E) Alaska Career Information System.

21 (g) The council shall assess the programs listed in this subsection and make  
22 recommendations to the legislature in its report required under (b)(9) of this section  
23 about whether to include one or more of these programs under the requirements of (f)  
24 of this section:

25 (1) in the Department of Community and Economic Development or  
26 operated by the department:

27 (A) local government assistance training and development,  
28 including the rural utility business advisory program;

29 (B) energy operations, providing training in management and  
30 administration of electric utilities and bulk fuel storage systems;

31 (2) in the Department of Corrections:

32 (A) Correctional Academy, training individuals applying for a

- 1                   correctional officer position;
- 2                               (B) inmate programs, providing vocational technical training and
- 3                   education courses for inmates preparing to be released from a correctional
- 4                   facility;
- 5                               (C) correctional industries program, providing inmates with jobs
- 6                   while they are incarcerated;
- 7                               (3) in the Department of Environmental Conservation:
- 8                                       (A) remote maintenance worker program, providing training and
- 9                   technical assistance to communities to keep drinking water and sewage disposal
- 10                  systems running, and providing on-the-job training to local operators;
- 11                                       (B) water and wastewater operator training and assistance;
- 12                                       (C) federal drinking water operator training and certification;
- 13                               (4) in the Department of Military and Veterans' Affairs: educational
- 14                  benefits for members of the Alaska National Guard and the Alaska Naval Militia;
- 15                               (5) in the Department of Public Safety:
- 16                                       (A) fire service training to maintain emergency training skills for
- 17                  existing fire fighter staff and volunteers and individuals interested in becoming
- 18                  fire fighters;
- 19                                       (B) Public Safety Training Academy, training trooper recruits;
- 20                               (6) in the Department of Transportation and Public Facilities:
- 21                                       (A) engineer-in-training program, providing on-the-job training
- 22                  for apprentice engineers to enable them to gain the experience necessary to be
- 23                  certified;
- 24                                       (B) statewide transportation improvement program, offered by the
- 25                  United States National Highway Institute;
- 26                                       (C) local technical assistance program, transferring technical
- 27                  expertise to local governments;
- 28                                       (D) Native technical assistance program, transferring technical
- 29                  expertise to Native governments;
- 30                                       (E) border technology exchange program, to coordinate highway
- 31                  issues with the Yukon Territory;
- 32                               (7) in the Department of Labor and Workforce Development: vocational

1 rehabilitation client services and special work projects, employment services, including  
2 job development, assisting individuals in finding employment, and assisting employed  
3 individuals in finding other employment;

4 (8) in the Department of Administration: Alaska Professional  
5 Development Institute, providing continuing education and training for employed  
6 workers.

7 (h) The University of Alaska shall evaluate the performance of its training  
8 programs using the standards set out in (e) of this section and shall provide a report on  
9 the results to the council for inclusion in the council's annual report to the legislature.

10 (i) The council shall review each program listed in (f) of this section to  
11 determine whether it is in compliance with the standards set out in (d) and (e) of this  
12 section. If the council finds that a program has failed to comply with the standards set  
13 out in (d) and (e) of this section, it shall notify the program director of the failure. If  
14 the program director fails to improve the performance of the program within a  
15 reasonable time, the council shall notify the governor and the legislative budget and  
16 audit committee that the program is out of compliance. A contract entered into by a  
17 state agency relating to a training program set out in (f) of this section must contain  
18 terms consistent with this section.

19 (j) A department that operates or contracts for a training program listed in (f)  
20 of this section shall pay to the council a management assessment fee not to exceed .75  
21 percent of the program's annual operating budget. The total amount received as  
22 management assessment fees may not exceed the council's authorized budget for the  
23 fiscal year. The council shall, by regulation, establish a method to determine annually  
24 the amount of the management assessment fee. If the amount the council expects to  
25 collect under this subsection exceeds the authorized budget of the council, the council  
26 shall reduce the percentages set out in this subsection so that the total amount of the fees  
27 collected approximately equals the authorized budget of the council for the fiscal year.  
28 The council shall adopt regulations under AS 44.62 (Administrative Procedure Act)  
29 necessary to administer this subsection.

30 (k) Upon the enactment of a new federal or state program relating to work force  
31 development, the council shall

32 (1) advise the governor and the legislature on whether the council should

1 provide oversight for the new program under this section; and

2 (2) make recommendations necessary to streamline and coordinate state  
3 efforts to meet the guidelines of the new program.

4 (l) For purposes of this section, "program"

5 (1) does not refer to the overall activities of an individual institution or  
6 individual fields of study or courses that are not associated with programs for which the  
7 council has oversight responsibility;

8 (2) may include a certificate or associate degree course or a course that  
9 is not for credit, whether it is offered by a public or private institute or contracted for  
10 by the private sector, so long as it is related to employment.

11 **Sec. 23.15.585. Administration.** (a) The department shall provide professional,  
12 technical, and administrative staff for the Alaska Human Resource Investment Council.

13 (b) Subject to legislative appropriations, and in accordance with AS 37.07  
14 (Executive Budget Act), the council's budget is funded from programs for which the  
15 council is the lead state planning and coordinating entity under AS 23.15.575.

16 \* **Sec. 19.** AS 23.15.645(b) is amended to read:

17 (b) When a grant is awarded to the council, the department shall annually  
18 provide to the council a priority list of targeted projects or services, based on  
19 unemployment statistics, unemployment insurance claims, occupational and industrial  
20 projections, availability of other training and employment programs, and other relevant  
21 data. The department shall also provide annually to the council a priority list of criteria  
22 for eligibility to maximize services to those people most in need of training under  
23 AS 23.15.620 - 23.15.660. In developing the priority list for targeted projects and  
24 services, the department shall solicit comments from the [DEPARTMENT OF  
25 COMMUNITY AND REGIONAL AFFAIRS,] Department of Education and Child  
26 Development, the [,] Department of Community [COMMERCE] and Economic  
27 Development, the University of Alaska, organized labor, the council, and the  
28 administrative entities of the substate service delivery areas established for the council.  
29 The department shall give preference to projects and services that train individuals in  
30 industries identified in the resident hire report required under AS 36.10.130 as  
31 employing a disproportionate percentage of nonresident individuals.

32 \* **Sec. 20.** AS 23.15.660(1) is amended to read:

1 (1) "council" means the Alaska Human Resource Investment Council  
2 established in AS 23.15.550 [AS 44.19.620];

3 \* Sec. 21. AS 23.20.110(a) is amended to read:

4 (a) Except as provided in (h) and (i) of this section, the department shall hold  
5 information obtained from an employing unit or individual in the course of administering  
6 this chapter and determinations as to the benefit rights of an individual confidential and  
7 may not disclose them or open them to public inspection in a manner that reveals the  
8 identity of the individual or employing unit. A claimant or an employing unit, or the  
9 legal representative of the claimant or the employing unit, is entitled to information from  
10 the records of the department to the extent necessary to properly present or protest a  
11 claim or determination under this chapter. Subject to restrictions that the department  
12 prescribes by regulation, the information may be made available to an agency of this  
13 state or another state or federal agency charged with the administration of an  
14 unemployment compensation law or the maintenance of a system of public employment  
15 offices, or, for the purposes of the Federal Unemployment Tax Act, to the Internal  
16 Revenue Service of the United States, or, for tax purposes, to the Department of  
17 Revenue. Information obtained in the course of administering this chapter or in  
18 connection with the administration of the employment service may be made available  
19 to persons or agencies for purposes appropriate to the operation of a public employment  
20 service or the administration of employment and training programs planned or  
21 coordinated by the Alaska Human Resource Investment Council under AS 23.15.550 -  
22 23.15.585 [AS 44.19.620 - 44.19.627].

23 \* Sec. 22. AS 29.06.040(c) is amended to read:

24 (c) In addition to the regulations governing annexation by local action adopted  
25 under AS 44.33.812 [AS 44.47.567], the Local Boundary Commission shall establish  
26 procedures for annexation and detachment of territory by municipalities by local action.  
27 The procedures established under this subsection must include a provision that

28 (1) a proposed annexation and detachment must be approved by a  
29 majority of votes on the question cast by voters residing in the area proposed to be  
30 annexed or detached;

31 (2) municipally owned property adjoining the municipality may be  
32 annexed by ordinance without voter approval; and

1 (3) an area adjoining the municipality may be annexed by ordinance  
2 without an election if all property owners and voters in the area petition the governing  
3 body.

4 \* **Sec. 23.** AS 29.60.599(9) is amended to read:

5 (9) "village" means a place within the unorganized borough or within a  
6 borough if the power, function, or service for which a grant application is submitted  
7 under AS 29.60.500 - 29.60.599 is not exercised or provided by the borough on an  
8 areawide or nonareawide basis at the time the grant application is submitted, that

9 (A) has irrevocably waived, in a form approved by the  
10 Department of Law, any claim of sovereign immunity that might arise in  
11 connection with the use of grant money under this chapter; and

12 (B) has

13 (i) a council organized under 25 U.S.C. 476 (sec. 16 of  
14 the Indian Reorganization Act);

15 (ii) a traditional village council recognized by the United  
16 States as eligible for federal aid to Indians; or

17 (iii) a council recognized by the commissioner under  
18 regulations adopted by the department to determine and give official  
19 recognition of village entities under AS 44.33.755(b) [AS 44.47.150(b)].

20 \* **Sec. 24.** AS 29.65.060(f) is amended to read:

21 (f) For purposes of determining the per capita entitlement under (a) of this  
22 section, the population of a municipality shall be the population determined by the  
23 former commissioner of community and regional affairs under former AS 43.18.010  
24 for the program year beginning July 1, 1978, for a municipality whose entitlement was  
25 determined under former AS 29.18.201 or 29.18.202.

26 \* **Sec. 25.** AS 30.13.010(a) is amended to read:

27 (a) The residents of each area of the state within the boundaries of a regional  
28 housing authority established under AS 18.55.996 that [WHICH] is located in whole or  
29 in part in the unorganized borough of the state may create a public body corporate and  
30 politic under the name and style of the "Resource Development Authority" with all or  
31 any significant part of the name of the region of the state inserted. The boundaries of  
32 the authority created shall be coterminous with the portion of the applicable regional

1 housing authority that lies in the unorganized borough. Creation of an authority is  
2 initiated by a petition filed with the Department of Community and **Economic**  
3 **Development** [REGIONAL AFFAIRS] and a statement submitted to the governor. The  
4 petition must include the proposed name of the authority, its boundaries, and a statement  
5 of the facilities proposed to be provided by the authority. The petition must be signed  
6 by 15 percent of the total number of residents in the portion of the applicable regional  
7 housing authority that lies in the unorganized borough who cast votes in the preceding  
8 general election. The Department of Community and **Economic Development**  
9 [REGIONAL AFFAIRS] shall review petitions for content and signatures. If the  
10 department determines that the petition is adequate, it shall transmit the petition to the  
11 director of elections.

12 \* Sec. 26. AS 36.30.170(g) is amended to read:

13 (g) The division of vocational rehabilitation in the Department of **Labor and**  
14 **Workforce Development** [EDUCATION] shall add to its current list of qualified  
15 employment programs a list of individuals who qualify as persons with a disability under  
16 (e) of this section and of persons who qualify under (f) of this section as employers with  
17 50 percent or more of their employees being persons with disabilities. A person must  
18 be on this list at the time the bid is opened in order to qualify for a preference under (e)  
19 or (f) of this section.

20 \* Sec. 27. AS 36.30.850(b)(11) is amended to read:

21 (11) agreements with providers of services under **AS 14.38.100**  
22 [AS 44.47.250]; AS 47.07; AS 47.08; AS 47.10; 47.17; AS 47.24; and AS 47.27,  
23 including contractors under AS 47.27.050;

24 \* Sec. 28. AS 36.30.850(b)(30) is amended to read:

25 (30) contracts entered into with a regional development organization; in  
26 this paragraph, "regional development organization" has the meaning given in  
27 **AS 44.33.895** [AS 44.47.900];

28 \* Sec. 29. AS 37.05.315(a) is amended to read:

29 (a) When an amount is appropriated or allocated as a grant to a municipality,  
30 the Department of **Community and Economic Development** [ADMINISTRATION]  
31 shall promptly notify the municipality of the availability of the grant. When the  
32 Department of **Community and Economic Development** [ADMINISTRATION]

1 receives an agreement executed by the municipality that [WHICH] provides that the  
2 municipality (1) will spend the grant for the purposes specified in the appropriation or  
3 allocation; (2) will allow, on request, an audit by the state of the uses made of the grant;  
4 and (3) assures that, to the extent consistent with the purpose of the appropriation or  
5 allocation, the facilities and services provided with the grant will be available for the use  
6 of the general public, the Department of Community and Economic Development  
7 [ADMINISTRATION] shall pay the grant directly to the municipality. The agreement  
8 executed by a municipality under this section shall be on a form furnished by the  
9 Department of Community and Economic Development [ADMINISTRATION] and  
10 shall be executed within 60 days after the effective date of the appropriation or  
11 allocation.

12 \* **Sec. 30.** AS 37.05.315(d) is amended to read:

13 (d) Not less than 20 percent of a grant shall be paid to a municipality within 10  
14 days of the effective date of the agreement under (a) of this section. The remainder of  
15 the grant shall be paid either in monthly installments equal to the amount of grant  
16 money the municipality expended in the previous month or in a lump sum as determined  
17 by the Department of Community and Economic Development [ADMINISTRATION].

18 \* **Sec. 31.** AS 37.06.010(j) is amended to read:

19 (j) In this section, unless specified otherwise, "department" means the  
20 Department of Community and Economic Development [ADMINISTRATION].

21 \* **Sec. 32.** AS 37.06.020(i) is amended to read:

22 (i) The limitations of AS 44.33.745 [AS 44.47.140] do not apply to a grant  
23 made under this section.

24 \* **Sec. 33.** AS 37.06.040 is amended to read:

25 **Sec. 37.06.040. Municipalities organized under federal law.** An entity  
26 organized under federal law as an Indian reserve that existed before enactment of 43  
27 U.S.C. 1618(a) and is continued in existence under that subsection is a municipality for  
28 purposes of AS 37.06.010 - 37.06.090 and may not receive a grant under AS 37.06.020.  
29 In addition to other eligibility requirements applicable to municipalities, to qualify to  
30 receive a grant under AS 37.06.010, a municipality organized under federal law as an  
31 Indian reserve shall form a community development corporation with authority to  
32 determine how the grant money will be used. The corporation's charter must require that

1 the governing board of the corporation shall be elected at an annual election open to all  
2 residents of the municipality who are registered and qualified to vote in state elections.  
3 The Department of Community and Economic Development [ADMINISTRATION]  
4 may distribute money for the municipality only to a corporation organized in accordance  
5 with this section and only after the corporation has delivered a written waiver of  
6 sovereign immunity from legal action by the state to recover all or a portion of the  
7 money distributed under AS 37.06.010.

8 \* Sec. 34. AS 37.06.080 is amended to read:

9 **Sec. 37.06.080. Adoption of regulations.** The Department of Community and  
10 Economic Development [ADMINISTRATION FOR GRANTS UNDER AS 37.06.010  
11 AND THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS FOR  
12 GRANTS UNDER AS 37.06.020]

13 (1) may adopt regulations that impose additional requirements or  
14 procedures to implement, interpret, make specific, or otherwise carry out the  
15 [APPLICABLE] provisions of this chapter [FOR GRANTS ADMINISTERED BY THE  
16 DEPARTMENT];

17 (2) shall adopt regulations providing for periodic audits of the use of  
18 money for grants [ADMINISTERED BY THE DEPARTMENT] under this chapter,  
19 including audit of the department's determination of the value of, and adequacy of the  
20 verification of the actual use of, locally funded or contributed labor on projects funded  
21 by a grant under this chapter.

22 \* Sec. 35. AS 38.06.025(a) is amended to read:

23 (a) The board consists of the commissioner of community [COMMERCE] and  
24 economic development; the commissioner of revenue [COMMUNITY AND  
25 REGIONAL AFFAIRS]; the commissioner of natural resources, who is a nonvoting  
26 member; and five public members.

27 \* Sec. 36. AS 39.20 is amended by adding a new section to read:

28 **Sec. 39.20.085. Salary of rural affairs advocate.** The monthly salary of the  
29 rural affairs advocate appointed under AS 44.19.012 is equal to Step E, Range 28, of  
30 the salary schedule in AS 39.27.011(a) for Juneau, Alaska.

31 \* Sec. 37. AS 39.25.120(c)(15) is amended to read:

32 (15) [THE DEPUTY DIRECTOR OF THE DIVISION OF TOURISM

1 AND] the deputy director of the division of insurance in the Department of Community  
2 [COMMERCE] and Economic Development;

3 \* Sec. 38. AS 39.25.158(b) is amended to read:

4 (b) After an employee requests to return to work, the reemployment benefits  
5 administrator of the division of workers' compensation or the director of vocational  
6 rehabilitation in the Department of Labor and Workforce Development  
7 [EDUCATION] shall review the request and certify that the employee is able to return  
8 to work under (c), (d), (e), or (f) of this section, or defer certification until the employee  
9 completes retraining under (f) of this section.

10 \* Sec. 39. AS 39.50.200(b)(18) is amended to read:

11 (18) Local Boundary Commission (AS 44.33.810 [AS 44.47.565]);

12 \* Sec. 40. AS 39.50.200(b)(55) is amended to read:

13 (55) Alaska Human Resource Investment Council (AS 23.15.550)  
14 [(AS 44.19.620)].

15 \* Sec. 41. AS 39.52.170(c) is amended to read:

16 (c) The head of a principal executive department of the state may not accept  
17 employment for compensation outside the agency that the executive head serves. The  
18 rural affairs advocate may not accept employment for compensation outside the  
19 Office of the Governor.

20 \* Sec. 42. AS 39.52.180(d) is amended to read:

21 (d) A former governor, lieutenant governor, rural affairs advocate, or head of  
22 a principal department in the executive branch may not engage in activity as a lobbyist  
23 under AS 24.45 for a period of one year after leaving service as the governor, lieutenant  
24 governor, rural affairs advocate, or department head, as appropriate. This subsection  
25 does not prohibit service as a volunteer lobbyist described in AS 24.45.161(a)(1) or a  
26 representational lobbyist as defined under regulations of the Alaska Public Offices  
27 Commission.

28 \* Sec. 43. AS 42.45.060(a) is amended to read:

29 (a) A loan committee consisting of six [SEVEN] members is established. The  
30 committee is composed of [THE COMMISSIONER OF COMMUNITY AND  
31 REGIONAL AFFAIRS,] the commissioner of community [COMMERCE] and economic  
32 development, the director of management and budget, or the designees of the

1 commissioners or the director, and four public members.

2 \* **Sec. 44.** AS 44.19.010 is amended to read:

3 **Sec. 44.19.010. Office of the Governor.** The Office of the Governor includes  
4 the lieutenant governor, the budget officer, the rural affairs advocate, and the staff  
5 that the governor finds necessary to administer the executive powers of the state.

6 \* **Sec. 45.** AS 44.19 is amended by adding a new section to read:

7 **Sec. 44.19.012. Rural affairs advocate.** (a) The governor shall appoint a  
8 rural affairs advocate whose duties are to

9 (1) advise the governor and the heads of each principal executive  
10 department about the role of rural governments;

11 (2) monitor and advance recommendations about proposed policy  
12 changes that would affect rural governments and rural affairs;

13 (3) monitor and advance recommendations about delivery of  
14 government services to rural areas, including services relating to public safety, justice,  
15 economic development, natural resource management, education, and public health;

16 (4) assist in coordinating efforts of state agencies in providing services  
17 to and in the rural areas of the state;

18 (5) advocate within state government for maximization of local  
19 autonomy and local control; and

20 (6) encourage respect for differing aspirations, traditions, and cultures  
21 in the state.

22 (b) The rural affairs advocate may not employ staff or adopt regulations.

23 \* **Sec. 46.** AS 44.19.145(a) is amended to read:

24 (a) The office shall

25 (1) provide technical assistance to the governor and the legislature in  
26 identifying long range goals and objectives for the state and its political subdivisions;

27 (2) prepare and maintain a state comprehensive development plan;

28 (3) provide information and assistance to state agencies to aid in  
29 governmental coordination and unity in the preparation of agency plans and programs;

30 (4) review planning within state government as may be necessary for  
31 receipt of federal, state, or other funds;

32 (5) participate with other countries, provinces, states, or subdivisions of

1 them in international or interstate planning, and assist the state's local governments,  
2 governmental conferences, and councils in planning and coordinating their activities;

3 (6) encourage educational and research programs that further state  
4 planning and development, and provide administrative and technical services for them;

5 (7) publish [SUCH] statistical information or other documentary material  
6 that [AS] will further the provisions and intent of AS 44.19.141 - 44.19.152;

7 (8) assist the governor and the Department of Community and Economic  
8 Development [REGIONAL AFFAIRS] in coordinating state agency activities that have  
9 an effect on the solution of local and regional development problems;

10 (9) serve as a clearinghouse for information, data, and other materials  
11 that may be helpful or necessary to federal, state, or local governmental agencies in  
12 discharging their respective responsibilities or in obtaining federal or state financial or  
13 technical assistance;

14 (10) review all proposals for the location of capital improvements by any  
15 state agency and advise and make recommendations concerning location of these capital  
16 improvements;

17 (11) render, on behalf of the state, all federal consistency determinations  
18 and certifications authorized by 16 U.S.C. 1456 (Sec. 307, Coastal Zone Management  
19 Act of 1972), and each conclusive state consistency determination when a project  
20 requires a permit, lease, or authorization from two or more state resource agencies.

21 \* Sec. 47. AS 44.19.155(a) is amended to read:

22 (a) There is created in the Office of the Governor the Alaska Coastal Policy  
23 Council. The council consists of the following:

24 (1) nine public members appointed by the governor from a list comprised  
25 of at least three names from each region, nominated by the municipalities of each  
26 region; the nominees shall be the mayor or member of the assembly or council of a  
27 municipality; one public member shall be appointed from each of the following general  
28 regions:

29 (A) northwest Alaska, including, generally, the area of the North  
30 Slope Borough and the Northwest Arctic borough [REGIONAL  
31 EDUCATIONAL ATTENDANCE AREA];

32 (B) Bering Straits, including, generally, the area of the Bering

- 1 Straits regional educational attendance area;
- 2 (C) southwest Alaska, including, generally, the area within the
- 3 Lower Yukon, Lower Kuskokwim, and Southwest [, AND LAKE &
- 4 PENINSULA] regional educational attendance areas and the Lake and
- 5 Peninsula and Bristol Bay Boroughs [BOROUGH];
- 6 (D) Kodiak-Aleutians, including the area of the Kodiak Island
- 7 and Aleutian East Borough [BOROUGH] and the Aleutian, Adak and Pribilof
- 8 regional educational attendance areas;
- 9 (E) Upper Cook Inlet, including the Municipality of Anchorage
- 10 and the Matanuska-Susitna Borough;
- 11 (F) Lower Cook Inlet, including, generally, the area within the
- 12 Kenai Peninsula Borough;
- 13 (G) Prince William Sound, including, generally, the area east of
- 14 the Kenai Peninsula Borough to 141 W. longitude;
- 15 (H) northern Southeast Alaska, including the area southeast of
- 16 141 W. longitude and north of 57 N. latitude, including the entirety of the City
- 17 and Borough of Sitka; and
- 18 (I) southern Southeast Alaska, including that portion of
- 19 southeastern Alaska not contained within the area described in (H) of this
- 20 paragraph;
- 21 (2) each of the following:
- 22 (A) the director of the office of management and budget;
- 23 (B) the commissioner of community [COMMERCE] and
- 24 economic development;
- 25 (C) [THE COMMISSIONER OF COMMUNITY AND
- 26 REGIONAL AFFAIRS];
- 27 (D) the commissioner of environmental conservation;
- 28 (D) [(E)] the commissioner of fish and game;
- 29 (E) [(F)] the commissioner of natural resources; and
- 30 (F) [(G)] the commissioner of transportation and public
- 31 facilities.

32 \* Sec. 48. AS 44.19.155(d) is amended to read:

1 (d) Each member of the council shall select one person to serve as a permanent  
2 alternate at meetings of the council. If a member of the council is unable to attend, the  
3 member shall advise the alternate who may attend and act in the place of the member.  
4 The alternate for a public member appointed under (a)(1) of this section shall, at the  
5 time of the alternate's designation and throughout the period of service as a permanent  
6 alternate, be the mayor or member of the assembly or council of a municipality within  
7 the region from which the permanent member is appointed. The alternate for the  
8 director of the office of management and budget, serving under (a)(2)(A) of this section,  
9 shall be the director's designee within that office. The alternate for a designated member  
10 serving under (a)(2)(B) - (F) [(a)(2)(B) - (G)] of this section shall be a deputy  
11 commissioner of the department or the director of a division in the department. The  
12 names of alternates shall be filed with the council.

13 \* Sec. 49. AS 44.27.020 is amended to read:

14 **Sec. 44.27.020. Duties of department.** The Department of Education and  
15 Child Development shall

16 (1) administer the state's program of education at the elementary,  
17 secondary, and adult levels, including, but not limited to, programs of vocational  
18 education and training, [VOCATIONAL REHABILITATION,] library services,  
19 correspondence courses, and adult basic education, but not including degree programs  
20 of postsecondary education;

21 (2) administer the historical library;

22 (3) plan, finance, and operate related school and educational activities  
23 and facilities; and

24 (4) license and regulate child care facilities under AS 47.35.

25 \* Sec. 50. AS 44.31.020 is amended to read:

26 **Sec. 44.31.020. Duties of department.** The Department of Labor and  
27 Workforce Development shall

28 (1) enforce the laws, and adopt regulations under them concerning  
29 employer-employee relationships, including the safety, hours of work, wages, and  
30 conditions of workers, including children;

31 (2) accumulate, analyze, and report labor statistics;

32 (3) operate systems of workers' compensation and unemployment

1 insurance; and

2 (4) gather data reflecting the cost of living in the various election  
3 districts of the state upon request of the director of personnel under AS 39.27.030; and

4 (5) operate the federally funded employment and training programs  
5 under 29 U.S.C. 1501 - 1792b (Job Training Partnership Act).

6 \* Sec. 51. AS 44.33.010 is amended to read:

7 Sec. 44.33.010. Commissioner of community [COMMERCE] and economic  
8 development. The principal executive officer of the Department of Community  
9 [COMMERCE] and Economic Development is the commissioner of community  
10 [COMMERCE] and economic development. Whenever a statute provides that the  
11 commissioner is a member of a board, council, or other similar entity, the  
12 commissioner may designate another person to act in the commissioner's place.

13 \* Sec. 52. AS 44.33.020 is amended to read:

14 Sec. 44.33.020. Duties of department. The Department of Community  
15 [COMMERCE] and Economic Development shall

16 (1) administer the state programs relating to commerce, enforce the laws  
17 relating to these programs, and adopt regulations under these laws;

18 (2) register corporations;

19 (3) collect corporation franchise taxes;

20 (4) enforce state laws regulating public utilities and other public service  
21 enterprises, banking and securities, insurance, and other businesses and enterprises  
22 touched with a public interest;

23 (5) make veterans' loans;

24 (6) [REPEALED

25 (7)] promote and develop civil aviation;

26 (7) [(8)] furnish the budgeting, clerical, and administrative services for  
27 regulatory agencies and professional and occupational licensing boards not otherwise  
28 provided for;

29 (8) [(9)] REPEALED

30 (10) REPEALED

31 (11) REPEALED

32 (12)] conduct studies, enter into contracts and agreements, and make

1 surveys relating to the economic development of the state and, when appropriate,  
2 assemble, analyze, and disseminate the findings obtained;

3 (9) [(13)] provide factual information and technical assistance for  
4 potential industrial and commercial investors;

5 (10) [(14)] receive gifts, grants, and other aid that facilitate the powers  
6 and duties of the department from agencies and instrumentalities of the United States or  
7 other public or private sources;

8 (11) [(15)] establish and activate programs to achieve balanced economic  
9 development in the state and advise the governor on economic development policy  
10 matters;

11 (12) [(16)] formulate a continuing program for basic economic  
12 development and for the necessary promotion, planning and research that will advance  
13 the economic development of the state;

14 (13) [(17)] cooperate with private, governmental, and other public  
15 institutions and agencies in the execution of economic development programs;

16 (14) [(18)] review the programs and annual reports of other departments  
17 and agencies as they are related to economic development and prepare an annual report  
18 on the economic growth of the state;

19 (15) [(19)] administer the economic development programs of the state;

20 (16) [(20)] perform all other duties and powers necessary or proper in  
21 relation to economic development and planning for the state;

22 (17) [(21)] request tourism-related businesses in the state to provide data  
23 regarding occupancy levels, traffic flow and gross receipts and to participate in visitor  
24 surveys conducted by the department; data collected under this paragraph that [WHICH]  
25 discloses the particulars of an individual business is not a matter of public record and  
26 shall be kept confidential; however, this restriction does not prevent the department from  
27 using the data to formulate tourism economic impact information including expenditure  
28 patterns, tax receipts and fees, employment and income attributable to tourism, and other  
29 information considered relevant to the planning, evaluation and policy direction of  
30 tourism in the state;

31 (18) [(22)] REPEALED

32 (23) REPEALED

1 (24)] provide administrative and budgetary services to the real estate  
2 commission under as 08.88 as requested by the commission;

3 (19) [(25) REPEALED

4 (26) REPEALED

5 (27) REPEALED

6 (28)] sell at cost, to the extent possible, publications and promotional  
7 materials developed by the department;

8 (20) [(29)] as delegated by the governor, administer under 16 U.S.C.  
9 1856 the internal waters foreign processing permit procedures and collect related fees;

10 (21) [(30)] administer state laws relating to the issuance of business  
11 licenses;

12 (22) comply with AS 15.07.055 to serve as a voter registration agency  
13 to the extent required by state and federal law, including 42 U.S.C. 1973gg  
14 (National Voter Registration Act of 1993);

15 (23) [(31) REPEALED

16 (32) REPEALED

17 (33)] foster the growth of international trade within the state and  
18 administer Alaska foreign offices.

19 \* Sec. 53. AS 44.33.020 is amended by adding a new subsection to read:

20 (b) The department shall

21 (1) advise and assist local governments;

22 (2) serve as staff for the Local Boundary Commission;

23 (3) conduct studies and carry out experimental and pilot projects for the  
24 purpose of developing solutions to community and regional problems;

25 (4) promote cooperative solutions to problems affecting more than one  
26 community or region, including joint service agreements, regional compacts, and other  
27 forms of cooperation;

28 (5) serve as a clearinghouse for information useful in solution of  
29 community and regional problems, and channel to the appropriate authority requests for  
30 information and services;

31 (6) advise and assist community and regional governments on matters  
32 of finance, including but not limited to bond marketing and procurement of federal

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- funds;
- (7) prepare suggested guidelines relating to the content of notice of bond sale advertisements, prospectuses, and other bonding matters issued by local governments;
- (8) administer state funds appropriated for the benefit of unorganized regions within the state, allowing for maximum participation by local advisory councils and similar bodies;
- (9) carry out those administrative functions in the unorganized borough that the legislature may prescribe;
- (10) study existing and proposed laws and state activities that affect community and regional affairs and submit to the governor recommended changes in those laws and activities;
- (11) coordinate activities of the state that affect community and regional affairs;
- (12) assist in the development of new communities and serve as the agent of the state for purposes of participation in federal programs relating to new communities;
- (13) supervise planning, management, and other activities required for local eligibility for financial aid under those federal and state programs that provide assistance to community and regional governments;
- (14) advise and assist municipalities on procedures of assessment, valuation, and taxation, and notify municipalities of major errors in those procedures;
- (15) apply for, receive, and use funds from federal and other sources, public or private, for use in carrying out the powers and duties of the department;
- (16) request and utilize the resources of other agencies of state government in carrying out the purposes of this chapter to the extent such utilization is more efficient than maintaining departmental staff, reimbursing the other agencies when appropriate;
- (17) carry out the powers and duties assigned it under AS 42.45;
- (18) administer state and, as appropriate, federal programs for revenue sharing, grants, and other forms of financial assistance to community and regional governments; and

1 (19) carry out other functions and duties, consistent with law, necessary  
2 or appropriate to accomplish the purpose of this chapter.

3 \* **Sec. 54.** AS 44.33 is amended by adding new sections to article 1 to read:

4 **Sec. 44.33.112. Fees for publications, research data, and other services.** The  
5 commissioner may establish by regulation and the department may charge reasonable  
6 fees for department publications, research data, and other centralized administrative  
7 services to cover the cost of reproduction, printing, mailing, distribution, and other  
8 centralized administrative services.

9 **Sec. 44.33.115. Exxon Valdez oil spill unincorporated rural community**  
10 **grant fund.** There is created in the department the Exxon Valdez oil spill  
11 unincorporated rural community grant fund. The fund consists of money appropriated  
12 to the fund from the Exxon Valdez oil spill restoration fund, the Alyeska settlement  
13 fund, and other sources. Appropriations to the fund do not lapse unless otherwise  
14 provided by the legislature in the bill making the appropriation to the fund. The  
15 department may use the fund to make grants to unincorporated rural communities in the  
16 area affected by the Exxon Valdez oil spill for capital projects for purposes of restoring,  
17 replacing, or enhancing subsistence resources or services or other services damaged or  
18 lost as the result of the Exxon Valdez oil spill. In this section,

19 (1) "Alyeska settlement fund" means the trust fund established in the  
20 state treasury for the purpose of receiving, holding, and disbursing the settlement  
21 proceeds received by the state under the Agreement and Consent Decree in re: The  
22 Exxon Valdez, United States District Court, District of Alaska, Case No. A92-175 Civil,  
23 decree entered November 25, 1992;

24 (2) "Exxon Valdez oil spill restoration fund" means the fund established  
25 by the Department of Revenue to implement the judgment entered by the United States  
26 District Court for Alaska in the criminal case United States of America v. Exxon  
27 Shipping Company and Exxon Corporation, No. A90-015 CR.

28 **Sec. 44.33.118. Definitions.** In AS 44.33.010 - 44.33.118,

29 (1) "commissioner" means the commissioner of community and  
30 economic development;

31 (2) "department" means the Department of Community and Economic  
32 Development.

1 \* Sec. 55. AS 44.33.120(b) is amended to read:

2 (b) The Department of Community and Economic Development [ALASKA  
3 DIVISION OF TOURISM] shall

4 (1) cooperate with the tourism marketing council and organizations in  
5 the private sector for the promotion and development of tourism and conventions into  
6 and within the state;

7 (2) coordinate with municipal, state, and federal agencies for the  
8 development and promotion of tourism resources and conventions in the state;

9 (3) review and approve the procurement documents and procedures of  
10 the tourism marketing council to ensure compliance with applicable laws and  
11 regulations;

12 (4) promote and develop the state's tourist and convention industry by  
13 any of the following:

14 (A) publicizing state attractions through such means as display  
15 advertising in magazines and newspapers, advertising on radio and television or  
16 other advertising media, publishing pamphlets, brochures and other graphic and  
17 pictorial materials, or [BY] aiding and assisting representatives of the media, to  
18 ensure greater coverage of the visitor attractions in the state;

19 (B) participation in travel shows;

20 (C) increasing the awareness of the citizens of the state at the  
21 statewide, regional, and community level of the economic importance of the  
22 visitor industry;

23 (D) assisting potential investors in creating new visitor facilities;

24 (E) administering programs of the state in which the state  
25 provides matching funds for municipalities of the state or nonprofit organizations  
26 that undertake the promotion of visitor travel to and the development of visitor  
27 amenities in the state;

28 (F) administering visitor information centers;

29 (G) conducting research to evaluate the effectiveness of the  
30 tourism marketing council's marketing programs;

31 (H) analyzing the effect on the state's visitor industry of state  
32 land and resource development projects;

1 (I) organizing, administering, and evaluating demonstration  
2 projects for the promotion of the state's visitor industry and the development of  
3 new tourism destination markets; and

4 (J) administering grants under AS 44.33.135.

5 \* Sec. 56. AS 44.33.135(a) is amended to read:

6 (a) A municipality, a nonprofit corporation formed under AS 10.20, or a bona  
7 fide nonprofit civic, fraternal, or service organization may receive, as a grant, matching  
8 money from the state for up to 50 percent of the costs of a program or project that the  
9 commissioner of community and economic development [DIRECTOR OF TOURISM]  
10 determines is consistent with the purposes of AS 44.33.119 and is likely to promote or  
11 develop visitor travel, including

12 (1) the promotion of conventions;

13 (2) the construction, improvement, or operation of visitor destination  
14 facilities and tourist attractions; and

15 (3) the development and preservation of attractions of historical,  
16 contemporary, recreational, or cultural interest.

17 \* Sec. 57. AS 44.33.705(a) is amended to read:

18 (a) Unless the commissioner contracts with a qualified trade association under  
19 (b) of this section, the governing body of the council is a board of directors consisting  
20 of [THE DIRECTOR OF TOURISM,] the commissioner of community [COMMERCE]  
21 and economic development [,] and the commissioners [COMMISSIONER] of two other  
22 [ANOTHER] principal executive departments [DEPARTMENT] designated by the  
23 governor.

24 \* Sec. 58. AS 44.33.705(c) is amended to read:

25 (c) If the commissioner contracts with a qualified trade association under (b) of  
26 this section, the governing body of the council is a board of directors consisting of 21  
27 members and subject to the following provisions:

28 (1) a board member shall

29 (A) be involved in a visitor or recreation industry business;

30 (B) have training in a field such as marketing;

31 (C) be an officer or a senior staff member of a local government  
32 or nonprofit enterprise established to promote the visitor industry; or