

ALASKA LEGISLATURE

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HOUSE and SENATE FINANCE COMMITTEE FILES, 1999 - 2000

- 1 (D) have business or government experience that would
2 materially enhance the member's ability to contribute to the planning, execution,
3 or evaluation of a visitor industry promotional marketing campaign;
- 4 (2) the contract shall provide that the trade association may select up to
5 10 board members; the governor may remove a member of the board selected under this
6 paragraph on the delivery by the governor to the board of a written statement explaining
7 the reasons for the removal;
- 8 (3) the commissioner of community and economic development
9 [DIRECTOR OF TOURISM] is a member of the board; the governor shall appoint 10
10 other board members; each board member appointed by the governor serves at the
11 pleasure of the governor; in making appointments to the board under this paragraph, the
12 governor shall ensure that the board, including members selected under (2) of this
13 subsection, is broadly representative of the different regions of the state and the various
14 sectors of the visitor industry;
- 15 (4) eleven members of the board constitute a quorum for the transaction
16 of business and the exercise of the powers and duties of the board, and any action by
17 the board requires 11 affirmative votes;
- 18 (5) the governor shall appoint a member of the board to serve as
19 presiding officer of the board; the board shall elect other necessary officers from among
20 its members annually;
- 21 (6) a board member may not participate or vote by proxy;
- 22 (7) the board shall meet at least four times a year at the call of the
23 presiding officer or upon the written request of seven members of the board;
- 24 (8) the members of the board appointed by the governor serve staggered
25 three-year terms, subject to continuation of the contract, and may be reappointed;
- 26 (9) a person appointed to fill a vacancy on the board holds office for the
27 balance of the term of the person's predecessor;
- 28 (10) board members receive no salary for serving in that position, but
29 are entitled to per diem and travel expenses under AS 39.20.180, except as provided in
30 AS 44.33.733; the contract must provide that the trade association will reimburse the
31 council for per diem and travel expenses paid to those board members appointed by the
32 trade association; reimbursement under this paragraph does not qualify as a part of the

1 association's required contribution under (b) of this section;

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

12 * Sec. 59. AS 44.33.720(a) is amended to read:

13 (a) The council shall

14 (1) conduct a tourism marketing program designed to accomplish the
15 purposes of AS 44.33.700 - 44.33.735; the marketing program must include promotion
16 of the state as a destination and promotion of all forms of travel to the state, including
17 travel by air, highway, and water;

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

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

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

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

28 (6) provide advice, on the request of the commissioner of community
29 and economic development [DIRECTOR OF TOURISM], on the programs of the
30 Department of Community and Economic Development that relate to tourism
31 [DIVISION];

32 (7) prepare a report by the 10th day of each regular session of the

1 legislature, describing how the contractual money was spent in the first half of the year
2 and explaining the plan for expenditures during the second half of the year; the council
3 shall notify the legislature that the report is available;

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

6 (9) consider methods of providing for the financial self-sufficiency of the
7 council.

8 * **Sec. 60.** AS 44.33 is amended by adding new sections to read:

9 **Article 7A. Rural Development.**

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

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

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

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

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

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

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

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

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

32 **Sec. 44.33.745. Limitations.** A program of the department under AS 44.33.740

1 in a rural area may not exceed \$100,000 in cost a year.

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

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

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

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

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

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

21 (2) may, with the concurrence of an appropriate village entity recognized
22 by the commissioner under (b) of this section or, in the absence of an appropriate village
23 entity, under procedures prescribed by regulations of the commissioner, accept,
24 administer, and dispose of land conveyed in trust by a state or federal agency and by the
25 dissolution of a municipality under AS 29.06.450 - 29.06.530.

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

30 (c) Within one complete state fiscal year after the incorporation of a
31 municipality in the village or of a municipality that includes all or part of the village,
32 land acquired under this section shall be conveyed without cost to the municipality, and

1 the municipality shall succeed to all the entrusted interest in the land.

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

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

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

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

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

20 (b) The loan information officers shall be trained, to the extent that the
21 department considers necessary, in a program administered by the department and
22 approved by the Alaska Housing Finance Corporation, the Alaska Industrial
23 Development and Export Authority, and the principal departments of the executive
24 branch that administer loan programs.

25 (c) A majority of the loan information officers shall be persons who are
26 conversant in Alaska Native languages that are spoken by a significant number of Alaska
27 Natives. The department shall provide brochures and other printed materials, written in
28 easily understandable English and in the Alaska Native languages that are spoken by a
29 significant number of Alaska Natives, for distribution by the loan information officers.
30 The brochures and printed materials must explain the purposes of the various state loan
31 programs, the minimum qualifications under the programs, the method for obtaining
32 assistance in the completion of applications for the programs, and other information the

1 department determines will improve the access of persons in rural areas to the state's
2 loan programs.

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

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

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

19 (b) The commissioner may place money from the fund into a special reserve
20 account as necessary. The commissioner may use money in the account to protect the
21 state's security interest in collateral on loans made from the fund, to protect the state's
22 interests in investments made from the fund, or to defray expenses incurred during
23 foreclosure or other legal proceedings involving loans or investments made from the
24 fund.

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

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

1 repaid.

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

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

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

15 (1) "commissioner" means the commissioner of community and
16 economic development;

17 (2) "department" means the Department of Community and Economic
18 Development.

19 **Article 7B. Planning Assistance.**

20 **Sec. 44.33.781. Planning assistance for development and maintenance of**
21 **district coastal management programs.** (a) The department shall conduct a program
22 of research, training, and technical assistance to coastal resource districts necessary for
23 the development and implementation of district coastal management programs under
24 AS 46.40. The technical assistance shall include the direct granting to the coastal
25 resource districts of a portion of any funds received by the state from the federal coastal
26 zone management program, in amounts to be individually determined for each coastal
27 resource district by the commissioner of community and economic development. State
28 agencies shall assist the department in carrying out the purposes of this section.

29 **Sec. 44.33.782. Planning assistance to platting authorities.** To facilitate
30 planning in municipalities that exercise planning and zoning authority, the department
31 may provide planning assistance, including but not limited to surveys, land use studies,
32 urban renewal plans, technical services, model acts that include regulations designed to

1 encourage development and use of energy systems not dependent on oil or gas, and other
2 planning work to a city, borough, or other platting authority. In an area under the
3 jurisdiction, for planning purposes, of a city, borough, or other platting authority, the
4 department may not perform the planning work except at the request or with the consent
5 of the local authority.

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

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

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

21 **Sec. 44.33.790. Definition.** In AS 44.33.782 - 44.33.790, "department" means
22 the Department of Community and Economic Development.

23 * **Sec. 61.** AS 44.33 is amended by adding new sections to read:

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

25 **Sec. 44.33.810. Local Boundary Commission.** There is in the Department of
26 Community and Economic Development a Local Boundary Commission. The Local
27 Boundary Commission consists of five members appointed by the governor for
28 overlapping five-year terms. One member shall be appointed from each of the four
29 judicial districts described in AS 22.10.010 and one member shall be appointed from the
30 state at large. The member appointed from the state at large is the chair of the
31 commission.

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

- 1 (1) make studies of local government boundary problems;
- 2 (2) adopt regulations providing standards and procedures for municipal
- 3 incorporation, annexation, detachment, merger, consolidation, reclassification, and
- 4 dissolution;
- 5 (3) consider a local government boundary change requested of it by the
- 6 legislature, the commissioner of community and economic development, or a political
- 7 subdivision of the state; and
- 8 (4) develop standards and procedures for the extension of services and
- 9 ordinances of incorporated cities into contiguous areas for limited purposes upon
- 10 majority approval of the voters of the contiguous area to be annexed and prepare
- 11 transition schedules and prorated tax mill levies as well as standards for participation by
- 12 voters of these contiguous areas in the affairs of the incorporated cities furnishing
- 13 services.

14 (b) The Local Boundary Commission may

- 15 (1) conduct meetings and hearings to consider local government
- 16 boundary changes and other matters related to local government boundary changes,
- 17 including extensions of services by incorporated cities into contiguous areas and matters
- 18 related to extension of services; and
- 19 (2) present to the legislature during the first 10 days of a regular session
- 20 proposed local government boundary changes, including gradual extension of services
- 21 of incorporated cities into contiguous areas upon a majority approval of the voters of the
- 22 contiguous area to be annexed and transition schedules providing for total assimilation
- 23 of the contiguous area and its full participation in the affairs of the incorporated city
- 24 within a period not to exceed five years.

25 **Sec. 44.33.814. Meetings and hearings.** The chair of the commission or the

26 commissioner of community and economic development with the consent of the chair

27 may call a meeting or hearing of the Local Boundary Commission. All meetings and

28 hearings shall be public.

29 **Sec. 44.33.816. Minutes and records.** The Local Boundary Commission shall

30 keep minutes of all meetings and hearings. If the proceedings are transcribed, minutes

31 shall be made from the transcription. The minutes are a public record. All votes taken

32 by the commission shall be entered in the minutes.

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

8 **Sec. 44.33.820. Quorum.** Three members of the commission constitute a
9 quorum for the conduct of business at a meeting. Two members constitute a quorum
10 for the conduct of business at a hearing.

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

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

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

20 **Sec. 44.33.828. When boundary change takes effect.** When a local
21 government boundary change is proposed to the legislature during the first 10 days of
22 any regular session, the change becomes effective 45 days after presentation or at the
23 end of the session, whichever is earlier, unless disapproved by a resolution concurred
24 in by a majority of the members of each house.

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

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

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

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

32 **Sec. 44.33.842. Requests for studies.** A request for a study of the feasibility

1 of establishing a borough in the unorganized borough shall be submitted to the
2 commissioner in writing and must include

3 (1) a description of the boundaries of the area of the proposed study; and
4 (2) an indication of local interest in the proposed study consisting of
5 either

6 (A) a petition requesting the study containing the signatures and
7 addresses of five percent of the voters residing in the area of the proposed study
8 based on the number of voters who voted in the area in the last statewide
9 election; or

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

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

17 (1) the standards applicable to the incorporation of boroughs under
18 AS 29.05.031;

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

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

21 (4) boundaries of the regional educational attendance areas established
22 under AS 14.08.031; and

23 (5) boundaries of coastal resource service areas organized under
24 AS 46.40.110 - 46.40.210.

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

29 (1) public participation in the preparation of the study;

30 (2) completion of the study not later than June 30 of the third year after
31 the year the contract is executed.

32 (b) A study under this section must include

- 1 (1) a recommendation for or against incorporation of a borough
2 containing all or part of the area studied;
- 3 (2) an evaluation of the economic development potential of the area
4 studied;
- 5 (3) an evaluation of capital facility needs of the area studied;
- 6 (4) an evaluation of demographic, social, and environmental factors
7 affecting the area studied;
- 8 (5) an evaluation of the relationships among regional educational
9 attendance areas, coastal resource service areas, and other regional entities responsible
10 for providing services in the area studied;
- 11 (6) an evaluation of the relationships between the existing cities within
12 the area studied and regional entities responsible for providing services in the area; and
- 13 (7) specific recommendations for
- 14 (A) organization of a home rule or general law borough
15 government if one is recommended;
- 16 (B) changes in organization of cities in the area studied; or
- 17 (C) the improvement of the delivery of services to the public by
18 the state in the area studied.
- 19 **Sec. 44.33.849. Definition.** In AS 44.33.840 - 44.33.849, "commissioner"
20 means the commissioner of community and economic development.
- 21 **Article 8C. Alaska Regional Economic Assistance Program.**
- 22 **Sec. 44.33.895. Alaska regional economic assistance program.** (a) The
23 department shall
- 24 (1) encourage the formation of regional development organizations by
25 providing assistance in forming organizations to interested individuals, including
26 information on how to qualify and apply for regional development grants and federal
27 funding under 42 U.S.C. 3121 - 3246 (Public Works and Economic Development Act
28 of 1965), as amended;
- 29 (2) assist an interested individual in establishing boundaries for a
30 proposed organization to ensure that the region
- 31 (A) is of sufficient geographic size and contains a large enough
32 population to form an economically viable unit with shared interests, resources,

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traditions, and goals;

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

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

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

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

(5) assist each organization to

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

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

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

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

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

(c) To qualify for a grant, a regional development organization must match the grant by providing an amount of money from nonstate sources. The department shall establish by regulation a formula that determines the amount of the match required under

1 this subsection based on the capability of each organization to generate money from
2 nonstate sources. The amount of match required may not exceed the amount of grant
3 money and may not be less than 20 percent of the grant. The total amount of grant
4 money provided to an organization during a fiscal year may not exceed \$100,000.

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

8 (e) In this section,

9 (1) "department" means the Department of Community and Economic
10 Development;

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

16 * **Sec. 62.** AS 44.62.330(a)(24) is amended to read:

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

21 * **Sec. 63.** AS 46.03.900(33) is amended to read:

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

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

28 (B) has

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

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

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

6 * Sec. 64. AS 46.04.900(22) is amended to read:

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

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

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

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

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

23 * Sec. 65. AS 46.08.900(16) is amended to read:

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

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

31 (B) has

32 (i) a council organized under 25 U.S.C. 476 (sec. 16 of

1 the Indian Reorganization Act);

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

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

9 * Sec. 66. AS 46.40.170(b) is amended to read:

10 (b) At the request of the council, the Department of Community and Economic
11 Development [REGIONAL AFFAIRS] shall complete the district coastal management
12 program in accordance with this chapter and the guidelines and standards adopted by the
13 council for a coastal resource service area that [WHICH] has been organized but that
14 [WHICH] has failed to make substantial progress in the preparation of an approvable
15 district coastal management program within 18 months of certification of the results of
16 an organization election or that [WHICH] has not submitted for approval to the council
17 a program within 30 months of certification of the results of its organization election.
18 Preparation of the program shall be conducted in consultation with the coastal resource
19 service area and shall, to the maximum extent consistent with this chapter, reflect the
20 expressed concerns of the residents of the service area.

21 * Sec. 67. AS 46.40.190(a) is amended to read:

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

28 * Sec. 68. AS 46.40.210(2) is amended to read:

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

31 (A) unified municipalities;

32 (B) organized boroughs of any class that [WHICH] exercise

1 planning and zoning authority;

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

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

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

13 * Sec. 69. AS 47.05.030(a) is amended to read:

14 (a) Except as provided in (b) of this section and for purposes directly connected
15 with the administration of general assistance, adult public assistance, the day care
16 assistance program authorized under AS 14.38.100 - 14.38.199 [AS 44.47.250 -
17 44.47.310], or the Alaska temporary assistance program, and in accordance with the
18 regulations of the department, a person may not solicit, disclose, receive, make use of,
19 or authorize, knowingly permit, participate in, or acquiesce in the use of, a list of or
20 names of, or information concerning, persons applying for or receiving the assistance
21 directly or indirectly derived from the records, papers, files, or communications of the
22 department or subdivisions or agencies of the department, or acquired in the course of
23 the performance of official duties.

24 * Sec. 70. AS 47.27.060 is amended to read:

25 **Sec. 47.27.060. Job development.** The department may establish cooperative
26 agreements with the Department of Labor and Workforce Development,
27 [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS,] Department of
28 Education and Child Development, and Department of Community [COMMERCE]
29 and Economic Development, and with other public or private sector organizations for
30 the purpose of developing job, training, and educational opportunities for families
31 eligible for assistance under this chapter.

32 * Sec. 71. AS 47.27.900(2) is amended to read:

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

5 * Sec. 72. AS 47.35 is amended by adding a new section to read:

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

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

11 * Sec. 73. AS 47.35.900(8) is amended to read:

12 (8) "department" means the Department of Health and Social Services
13 with respect to the facilities over which the Department of Health and Social
14 Services has jurisdiction under this chapter and the Department of Education and
15 Child Development with respect to the facilities over which the Department of
16 Education and Child Development has jurisdiction under this chapter;

17 * Sec. 74. AS 47.90.040 is amended to read:

18 **Sec. 47.90.040. Consultation and coordination.** The commissioner shall
19 consult and cooperate with the Department of Health and Social Services; the
20 Department of Education and Child Development; [, INCLUDING] the director of the
21 division of vocational rehabilitation; the University of Alaska, community colleges, and
22 other colleges as appropriate; [THE DEPARTMENT OF LABOR, INCLUDING THE
23 DIVISION OF EMPLOYMENT SECURITY;] and other persons or agencies that the
24 commissioner considers appropriate in the implementation of this chapter.

25 * Sec. 75. AS 47.90.070(1) is amended to read:

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

28 * Sec. 76. REPEALER. AS 23.15.210(4); AS 39.25.120(c)(21); AS 44.17.005(17);
29 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;
30 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,
31 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,
32 44.47.080, 44.47.090, 44.47.092, 44.47.095, 44.47.100, 44.47.130, 44.47.140, 44.47.145,

1 44.47.150, 44.47.155, 44.47.250, 44.47.260, 44.47.270, 44.47.280, 44.47.290, 44.47.300,
2 44.47.305, 44.47.310, 44.47.565, 44.47.567, 44.47.569, 44.47.571, 44.47.573, 44.47.575,
3 44.47.577, 44.47.579, 44.47.581, 44.47.583, 44.47.700, 44.47.710, 44.47.720, 44.47.730,
4 44.47.750, 44.47.752, 44.47.754, 44.47.756, 44.47.758, 44.47.760, 44.47.762, 44.47.764,
5 44.47.766, 44.47.768, 44.47.770, 44.47.772, 44.47.800, 44.47.810, 44.47.820, 44.47.900,
6 44.47.980, 44.47.998: and AS 45.90.020(b) are repealed.

7 * **Sec. 77. REPEALER.** AS 44.33.895, added by sec. 61 of this Act, is repealed July 1,
8 2000.

9 * **Sec. 78. TRANSITIONAL PROVISIONS.** (a) Litigation, hearings, investigations, and
10 other proceedings pending under a law repealed or amended by this Act, or in connection with
11 functions transferred by this Act, continue in effect and may be completed notwithstanding a
12 transfer or repeal provided for in this Act.

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

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

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

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

28 * **Sec. 79. REGULATIONS.** A department affected by this Act may proceed to adopt
29 regulations to implement this Act. The regulations take effect under AS 44.62 (Administrative
30 Procedure Act) but not before July 1, 1999.

31 * **Sec. 80. REVISOR'S INSTRUCTION REGARDING DEPARTMENT OF COMMERCE**
32 **AND ECONOMIC DEVELOPMENT.** Wherever in the Alaska Statutes and the Alaska

1 Administrative Code the terms "Department of Commerce and Economic Development" and
2 "commissioner of commerce and economic development" are used, they shall be read,
3 respectively, as "Department of Community and Economic Development" and "commissioner
4 of community and economic development" when to do so would be consistent with the changes
5 made by this Act.

6 * **Sec. 81. REVISOR'S INSTRUCTION REGARDING DEPARTMENT OF EDUCATION.**

7 Wherever in the Alaska Statutes and the Alaska Administrative Code the terms "Department of
8 Education" and "commissioner of education" are used, they shall be read, respectively, as
9 "Department of Education and Child Development" and "commissioner of education and child
10 development" when to do so would be consistent with the changes made by this Act.

11 * **Sec. 82. REVISOR'S INSTRUCTION REGARDING DEPARTMENT OF LABOR.**

12 Wherever in the Alaska Statutes and the Alaska Administrative Code the terms "Department of
13 Labor" and "commissioner of labor" are used, they shall be read, respectively, as "Department
14 of Labor and Workforce Development" and "commissioner of labor and workforce development"
15 when to do so would be consistent with the changes made by this Act.

16 * **Sec. 83. SPECIFIC INSTRUCTIONS TO REVISOR OF STATUTES CONCERNING**
17 **SPECIFIC REFERENCES.** The revisor of statutes shall change references to "community and
18 regional affairs" to read "community and economic development" in the following statutes:

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

20 (2) AS 14.08.031(a), 14.08.051(a); AS 14.17.410(b)(2), 14.17.410(c)(1),
21 14.17.410(e)(1)(B), 14.17.490(b), 14.17.510(a);

22 (3) AS 15.07.055(a)(3); AS 15.13.010(a)(2);

23 (4) AS 18.26.030(a)(3); AS 18.56.030(a)(2), 18.56.097;

24 (5) AS 19.30.131(a), 19.30.131(b), 19.30.131(c);

25 (6) AS 26.23.071(b);

26 (7) AS 28.01.010(b);

27 (8) AS 29.60.120(d), 29.60.370(a), 29.60.620(b), 29.60.650(2); AS 29.65.050(c),
28 29.65.050(d), 29.65.120; AS 29.71.800(5), 29.71.800(8);

29 (9) AS 37.05.317, 37.05.530(c); AS 37.06.010(g), 37.06.020(l), 37.06.030(c);

30 (10) AS 41.15.180(a), 41.15.180(b), 41.15.180(f), 41.15.180(g);

31 (11) AS 42.45.060(c), 42.45.990(1);

32 (12) AS 43.75.137; AS 43.77.040(b), 43.77.060(d);

1 (13) AS 44.21.200(a)(2); AS 44.85.030, 44.85.320(b);

2 (14) AS 46.08.040(a); 46.40.120(b), 46.40.120(d), 46.40.140(c), 46.40.170(a),
3 46.40.180(a), 46.40.180(d), 46.40.210(5);

4 (15) AS 47.18.010(c); AS 47.80.090(8).

5 * **Sec. 84.** IMPLEMENTATION OF SECTIONS 80 - 83 OF THIS ACT. Under
6 AS 01.05.031, the revisor of statutes shall implement secs. 80 - 83 in the statutes and, under
7 AS 44.62.125(b)(6), the regulations attorney shall implement secs. 78 - 81 in the administrative
8 code.

9 * **Sec. 85.** Except as provided in sec. 86 of this Act, this Act takes effect July 1, 1999.

10 * **Sec. 86.** Section 79 of this Act takes effect immediately under AS 01.10.070(c).

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 combining parts of the Department of Commerce and Economic
2 Development and parts of the Department of Community and Regional Affairs by
3 transferring some of their duties to a new Department of Community and
4 Economic Development; transferring some of the duties of the Department of
5 Community and Regional Affairs and the Department of Health and Social
6 Services to other agencies; eliminating the Department of Commerce and Economic
7 Development and the Department of Community and Regional Affairs; relating to
8 the Department of Community and Economic Development and the commissioner
9 of community and economic development; renaming the Department of Education
10 and the Department of Labor and changing their duties; establishing in the
11 Office of the Governor the position of rural affairs advocate; adjusting the
12 membership of certain multi-member bodies to reflect the transfer of duties

1 among departments and the elimination of departments; creating the office of
2 international trade and relating to its duties; and providing for an effective date."

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

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

5 (e) Notwithstanding other provisions of this section to the contrary, the Bureau
6 of Vital Statistics and [,] the library archives in the Department of Education and Child
7 Development [, AND THE DIVISION OF BANKING, SECURITIES, AND
8 CORPORATIONS IN THE DEPARTMENT OF COMMERCE AND ECONOMIC
9 DEVELOPMENT] may continue to charge the same fees that they were [ARE] charging
10 on September 25, 1990, for performing record searches, and may increase the fees as
11 necessary to recover agency expenses on the same basis that was [IS] used by the
12 agency immediately before September 25, 1990. Notwithstanding other provisions of
13 this section to the contrary, the division of banking, securities, and corporations in
14 the Department of Community and Economic Development may continue to charge
15 the same fees that the former Department of Commerce and Economic
16 Development was charging on the effective date of this bill section for performing
17 record searches and may increase the fees as necessary to recover agency expenses
18 on the same basis that was used by the former Department of Commerce and
19 Economic Development immediately before the effective date of this bill section.

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

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

23 * Sec. 3. 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

1 the salary and necessary travel expenses of the state director of vocational education;
 2 (5) consider the advice of the Alaska Human Resource Investment
 3 Council established by AS 23.15.550 [AS 44.19.620] regarding employment training
 4 needs and advise that council in the development of vocational education programs.

5 * **Sec. 4.** AS 14 is amended by adding a new chapter to read:

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

7 **Article 1. Head Start.**

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

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

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

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

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

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

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

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

22 (b) The department may

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

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

29 **Sec. 14.38.110. Administrative costs of program contractors.** To defray
 30 administrative expenses, a contractor under AS 14.38.100(b) may only retain \$1,000 or
 31 12 percent, whichever is greater, of the day care assistance program funds it receives
 32 from the department under the contract.

1 **Sec. 14.38.120. Conditions of receipt of benefits.** Benefits may be paid for the
2 care of children of a low or moderate income family only if a parent or guardian,
3 because of the day care, is freed to work or to seek work or to attend school. Benefits
4 may not be paid for the care of children of a family where one parent or guardian is not
5 working, actively seeking work, or attending school and is physically and mentally
6 capable of caring for the children.

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

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

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

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

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

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

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

29 (1) be currently licensed under AS 47.35 and applicable municipal
30 licensing requirements;

31 (2) participate in the day care assistance program under AS 14.38.100 -
32 14.38.199; and

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

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

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

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

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

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

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

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

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

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

1 (3) "day care" means the care, supervision, and guidance of a child or
2 children unaccompanied by a parent or legal guardian on a regular basis for periods of
3 less than 24 hours a day;

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

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

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

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

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

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

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

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

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

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

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

32 (2) adopt regulations necessary to carry out the provisions of

1 AS 14.38.200 - 14.38.299, including regulations to establish reasonable fees for services
2 provided and charges for collecting the fee; and

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

4 (b) The department shall

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

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

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

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

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

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

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

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

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

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

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

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

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

2 (1) "child care facility" means an establishment the principal purpose of
3 which is to provide care for children not related by blood, marriage, or legal adoption,
4 including but not limited to day care centers, family day care homes, and schools for
5 preschool age children;

6 (2) "department" means the Department of Education and Child
7 Development.

8 * **Sec. 5.** AS 14.42.015(a) is amended to read:

9 (a) There is in the Department of Education **and Child Development** the Alaska
10 Commission on Postsecondary Education consisting of

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

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

16 (3) one person representing the Department of Education **and Child**
17 **Development** selected by the state Board of Education;

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

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

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

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

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

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

31 * **Sec. 6.** AS 18.70.081 is amended to read:

32 **Sec. 18.70.081. Approval of fire protection systems.** Before October 30 of

1 each year the Department of Public Safety shall prepare and make available a list of
2 approved fire protection systems to [THE DEPARTMENT OF COMMUNITY AND
3 REGIONAL AFFAIRS,] the Department of Community [COMMERCE] and Economic
4 Development [,] and the public.

5 * Sec. 7. AS 23.05 is amended by adding a new section to read:

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

11 * Sec. 8. AS 23.05 is amended by adding new sections to read:

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

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

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

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

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

32 (c) The council shall adopt regulations under AS 44.62 (Administrative

1 Procedure Act) to implement AS 23.05.400 - 23.05.510.

2 **Sec. 23.05.420. Business incentive training plan.** (a) A private industry
3 council shall adopt a business incentive training plan for the service delivery area. The
4 plan must extend for two years to coincide with the term for the Job Training
5 Partnership Act (P.L. 97-300) and must contain

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

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

10 (3) procedures for identifying and selecting participants;

11 (4) performance goals established in accordance with standards under
12 AS 23.05.480;

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

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

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

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

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

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

31 (b) Each grant administrator is responsible for the allocation of funds and the
32 eligibility of those enrolled in its programs. The grant administrator is responsible for

1 taking action against its subcontractors, subgrantees, and other recipients to eliminate
2 abuses in the programs they are carrying out, and to prevent misuse of funds. If the
3 arrangement is included in an approved job training plan, a grant administrator may
4 delegate the responsibility for determining eligibility under reasonable safeguards,
5 including provisions for reimbursement of costs incurred because of erroneous
6 determinations made with insufficient care.

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

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

21 (1) have been unemployed and

22 (A) receiving unemployment insurance benefits; or

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

24 within the past three years;

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

26 because of

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

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

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

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

31 that the employee does not now possess; or

32 (3) have worked in a position covered by AS 23.20 at any time during

1 the last three years and be ineligible for unemployment insurance benefits because the
2 person

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

5 (B) has insufficient qualifying wages because of limited job
6 opportunities; or

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

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

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

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

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

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

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

32 (b) An individual in on-the-job training shall be compensated by the employer

1 at the same rates, including periodic increases, as similarly situated employees or
2 trainees and in accordance with applicable law. However, an individual may not be paid
3 less than the state minimum wage under AS 23.10.065 whether or not the individual is
4 exempt under AS 23.10.055 or 23.10.070.

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

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

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

11 (3) the prevailing rate of wages under AS 36.05 or 40 U.S.C. 276a -
12 276a-5, if applicable.

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

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

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

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

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

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

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

32 **Sec. 23.05.470. Allowable costs.** (a) To be allowable, a cost must be necessary

1 and reasonable for proper and efficient administration of the program. The following
2 costs are not allowable:

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

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

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

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

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

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

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

32 (b) Appropriate education agencies in the service delivery area shall be given

1 the opportunity to provide educational services, unless the grant administrator determines
 2 that alternative agencies or organizations would be more effective or would have greater
 3 potential to enhance the participants' continued occupational and career growth.

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

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

8 (1) "council" means the Alaska Human Resources Investment Council
 9 established in AS 23.15.550;

10 (2) "incentive program" means the business incentive training program
 11 established under AS 23.05.400;

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

14 * **Sec. 9.** AS 23.15 is amended by adding new sections to read:

15 **Article 3A. Alaska Human Resources Investment Council.**

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

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

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

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

24 (4) four additional representatives of education, with one from local
 25 public education, one from secondary vocational education, one from a postsecondary
 26 vocational education institution, and one from adult basic education;

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

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

1 submitted;

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

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

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

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

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

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

14 **Sec. 23.15.555. Appointment and term of members.** (a) Members of the
15 Alaska Human Resource Investment Council other than those listed in
16 AS 23.15.550(a)(1) and (2) are appointed by the governor and serve at the pleasure of
17 the governor. The governor may appoint one person to fill two or more of the places
18 listed in AS 23.15.550(a) if the person is qualified in all of the areas the person
19 represents. A member appointed to fill more than one place under this subsection is
20 entitled to only one vote and may appoint only one designee to replace the member in
21 the event the member is unable to attend a meeting.

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

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

32 **Sec. 23.15.560. Compensation.** Members of the Alaska Human Resource

1 Investment Council listed in or appointed under AS 23.15.550(a), including a designee
2 of a member attending in place of the member, serve without compensation but are
3 entitled to per diem and travel expenses authorized by law for boards and commissions
4 under AS 39.20.180. Nonvoting members of the council appointed under
5 AS 23.15.550(b) serve without compensation and are not entitled to per diem and travel
6 expenses. A commissioner appointed under AS 23.15.550(a)(2) or the commissioner's
7 designee is entitled to per diem and travel expenses as a state employee.

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

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

16 (b) The council shall establish an executive committee and four permanent
17 standing committees as described in (c) - (g) of this section. The chair of a permanent
18 standing committee must be from the private sector. The council may establish
19 additional standing committees and special committees or subcommittees, not necessarily
20 consisting of council members, to advise and assist the council in carrying out its
21 functions assigned by federal or state statute. The permanent standing committees are

- 22 (1) the assessment and evaluation committee;
23 (2) the policy and planning committee;
24 (3) the employment and placement committee; and
25 (4) the workforce readiness committee.

26 (c) The executive committee consists of the chair and vice-chair of the council,
27 the immediate past chair of the council, and the chairs of the four standing committees
28 described in (d) - (g) of this section. The executive committee has the duties and may
29 exercise the powers of the council between meetings of the council. The executive
30 committee shall

31 (1) report to the council in a timely fashion on actions taken on behalf
32 of the council; and

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(2) supervise the affairs of the council between regular meetings of the council.

(d) The assessment and evaluation committee shall

(1) assess and evaluate programs, initiatives, and the delivery of services to help to ensure equitable distribution of quality education, training, and employment services statewide, especially to rural areas and to programs serving economically disadvantaged citizens;

(2) call for and monitor the workforce development system for increased accountability in performance and continuous quality improvement along the goals and strategies of the council's overall statewide strategic plan for workforce development;

(3) use evaluation and performance measures to gauge customer satisfaction within the workforce development system; and

(4) perform other duties assigned by the council.

(e) The policy and planning committee shall

(1) build policies regarding day-to-day operations and long-term responsibilities of the council;

(2) work to increase awareness of the council and its mission throughout the state;

(3) work with all other committees on a statewide strategic plan for workforce development; and

(4) perform other duties assigned by the council.

(f) The employment and placement committee shall

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

(A) customer needs at the local level;

(B) moving welfare recipients into the workforce;

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

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

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

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

2 (g) The workforce readiness committee shall

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

6 (2) build partnerships between employers and quality workforce training
7 programs;

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

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

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

15 (1) 29 U.S.C. 1501 - 1792b (Job Training Partnership Act);

16 (2) 20 U.S.C. 2301 - 2471 (Carl D. Perkins Vocational and Applied
17 Technology Education Act);

18 (3) 20 U.S.C. 1201 - 1213d (Adult Education Act);

19 (4) 29 U.S.C. 49 - 491-1 (Wagner - Peysner Act);

20 (5) 42 U.S.C. 681 - 687 (Job Opportunities and Basic Skills Training
21 Program) for needy families with children under the Social Security Act;

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

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

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

28 **Sec. 23.15.580. Functions of the council.** (a) As the lead state planning and
29 coordinating entity, the Alaska Human Resource Investment Council has responsibility,
30 to the extent authorized by federal and state law, for planning and coordinating federal,
31 state, and local efforts in human resource programs in this state related to employment
32 training, including the work activities of the Alaska temporary assistance program under

1 AS 47.27.

2 (b) The council shall

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

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

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

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

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

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

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

18 (8) adopt regulations that set standards for the percentage of a grant that
19 may be used for administrative costs; the regulations must clearly identify and
20 distinguish between expenses that may be included in administrative costs and those that
21 may not be included in administrative costs; the percentage allowed for administrative
22 costs may not exceed the lesser of 15 percent or the amount permitted under the
23 requirements of a federal program, if applicable;

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

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

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

32 (c) The council may receive money designated for human resource programs and

1 may disburse money, including grants, to human resource projects in accordance with
2 AS 37.07 (Executive Budget Act). The council may enter into partnership agreements
3 through appropriate administrative agencies with private industry training entities within
4 the state in order to facilitate the coordination of training opportunities.

5 (d) The council shall provide oversight for the planning and coordination of
6 employment-related education training programs operated by the state or operated under
7 contract with the state that are described in (f) of this section. The council shall require
8 a training program listed in (f) of this section to meet the requirements of this
9 subsection. The council shall, by regulation, establish appropriate penalties for programs
10 that fail to meet the requirements of this subsection. The council may recommend to
11 the legislature changes to enhance the effectiveness of the training programs it oversees
12 under this section. A training program described in (f) of this section funded with
13 money appropriated by the legislature must

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

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

20 (3) provide to the Department of Labor and Workforce Development the
21 information required by the department for the preparation of the statistical information
22 necessary for the council to evaluate programs by the standards set out in (c) of this
23 section.

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

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

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

32 (3) the percent of former participants who were employed after leaving

1 the training program who received training under the program that was related to their
2 jobs or somewhat related to their jobs seven to 12 months after leaving the training
3 program;

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

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

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

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

14 (A) One Stop Career Center;

15 (B) Job Training Partnership Act programs under 29 U.S.C. 1501
16 - 1792b, assisting communities in moving toward a self-sustainable economy and
17 providing training;

18 (C) state training and employment program (AS 23.15.620),
19 providing training and employment services for people who are unemployed or
20 likely to become unemployed, fostering new jobs, and increasing training
21 opportunities for workers severely affected by fluctuations in the state economy
22 or adversely affected by technology advances in the workplace;

23 (D) employment-related adult basic education;

24 (E) School-to-Work;

25 (F) vocational education and Tech Prep;

26 (G) Alaska Career Information System;

27 (H) employment training services operated as part of the Alaska
28 Temporary Assistance Program (ATAP);

29 (I) unemployment insurance grants provided under the federal
30 training relocation assistance program;

31 (J) Alaska works programs, assisting with the welfare-to-work
32 program;

1 (K) state training and employment program, coordinated with the
2 Department of Community and Economic Development;

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

5 (A) high school completion project;

6 (B) Kotzebue Technical Center;

7 (C) Alaska Vocational Technical Center.

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

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

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

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

18 (2) in the Department of Corrections:

19 (A) Correctional Academy, training individuals applying for a
20 correctional officer position;

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

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

26 (3) in the Department of Environmental Conservation:

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

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

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

32 (4) in the Department of Military and Veterans' Affairs: educational

1 benefits for members of the Alaska National Guard and the Alaska Naval Militia;

2 (5) in the Department of Public Safety:

3 (A) fire service training to maintain emergency training skills for
4 existing fire fighter staff and volunteers and individuals interested in becoming
5 fire fighters;

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

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

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

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

13 (C) local technical assistance program, transferring technical
14 expertise to local governments;

15 (D) Native technical assistance program, transferring technical
16 expertise to Native governments;

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

19 (7) in the Department of Education and Child Development: vocational
20 rehabilitation client services and special work projects;

21 (8) in the Department of Labor and Workforce Development:
22 employment services, including job development, assisting individuals in finding
23 employment, and assisting employed individuals in finding other employment;

24 (9) in the Department of Administration: Alaska Professional
25 Development Institute, providing continuing education and training for employed
26 workers.

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

30 (i) The council shall review each program listed in (f) of this section to
31 determine whether it is in compliance with the standards set out in (d) and (e) of this
32 section. If the council finds that a program has failed to comply with the standards set

1 out in (d) and (e) of this section, it shall notify the program director of the failure. If
2 the program director fails to improve the performance of the program within a
3 reasonable time, the council shall notify the governor and the legislative budget and
4 audit committee that the program is out of compliance. A contract entered into by a
5 state agency relating to a training program set out in (f) of this section must contain
6 terms consistent with this section.

7 (j) A department that operates or contracts for a training program listed in (f)
8 of this section shall pay to the council a management assessment fee not to exceed .75
9 percent of the program's annual operating budget. The total amount received as
10 management assessment fees may not exceed the council's authorized budget for the
11 fiscal year. The council shall, by regulation, establish a method to determine annually
12 the amount of the management assessment fee. If the amount the council expects to
13 collect under this subsection exceeds the authorized budget of the council, the council
14 shall reduce the percentages set out in this subsection so that the total amount of the fees
15 collected approximately equals the authorized budget of the council for the fiscal year.
16 The council shall adopt regulations under AS 44.62 (Administrative Procedure Act)
17 necessary to administer this subsection.

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

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

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

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

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

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

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

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

4 * **Sec. 10.** AS 23.15.645(b) is amended to read:

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

20 * **Sec. 11.** AS 23.15.660(1) is amended to read:

21 (1) "council" means the Alaska Human Resource Investment Council
22 established in AS 23.15.550 [AS 4 . 19.620];

23 * **Sec. 12.** AS 23.20.110(a) is amended to read:

24 (a) Except as provided in (h) and (i) of this section, the department shall hold
25 information obtained from an employing unit or individual in the course of administering
26 this chapter and determinations as to the benefit rights of an individual confidential and
27 may not disclose them or open them to public inspection in a manner that reveals the
28 identity of the individual or employing unit. A claimant or an employing unit, or the
29 legal representative of the claimant or the employing unit, is entitled to information from
30 the records of the department to the extent necessary to properly present or protest a
31 claim or determination under this chapter. Subject to restrictions that the department
32 prescribes by regulation, the information may be made available to an agency of this

1 state or another state or federal agency charged with the administration of an
2 unemployment compensation law or the maintenance of a system of public employment
3 offices, or, for the purposes of the Federal Unemployment Tax Act, to the Internal
4 Revenue Service of the United States, or, for tax purposes, to the Department of
5 Revenue. Information obtained in the course of administering this chapter or in
6 connection with the administration of the employment service may be made available
7 to persons or agencies for purposes appropriate to the operation of a public employment
8 service or the administration of employment and training programs planned or
9 coordinated by the Alaska Human Resource Investment Council under AS 23.15.550 -
10 23.15.585 [AS 44.19.620 - 44.19.627].

11 * Sec. 13. AS 29.06.040(c) is amended to read:

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

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

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

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

24 * Sec. 14. AS 29.60.599(9) is amended to read:

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

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

32 (B) has

- 1 (i) a council organized under 25 U.S.C. 476 (sec. 16 of
2 the Indian Reorganization Act);
3 (ii) a traditional village council recognized by the United
4 States as eligible for federal aid to Indians; or
5 (iii) a council recognized by the commissioner under
6 regulations adopted by the department to determine and give official
7 recognition of village entities under AS 44.33.755(b) [AS 44.47.150(b)].

8 * Sec. 15. AS 29.65.060(f) is amended to read:

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

14 * Sec. 16. AS 30.13.010(a) is amended to read:

15 (a) The residents of each area of the state within the boundaries of a regional
16 housing authority established under AS 18.55.996 that [WHICH] is located in whole or
17 in part in the unorganized borough of the state may create a public body corporate and
18 politic under the name and style of the "Resource Development Authority" with all or
19 any significant part of the name of the region of the state inserted. The boundaries of
20 the authority created shall be coterminous with the portion of the applicable regional
21 housing authority that lies in the unorganized borough. Creation of an authority is
22 initiated by a petition filed with the Department of Community and Economic
23 Development [REGIONAL AFFAIRS] and a statement submitted to the governor. The
24 petition must include the proposed name of the authority, its boundaries, and a statement
25 of the facilities proposed to be provided by the authority. The petition must be signed
26 by 15 percent of the total number of residents in the portion of the applicable regional
27 housing authority that lies in the unorganized borough who cast votes in the preceding
28 general election. The Department of Community and Economic Development
29 [REGIONAL AFFAIRS] shall review petitions for content and signatures. If the
30 department determines that the petition is adequate, it shall transmit the petition to the
31 director of elections.

32 * Sec. 17. AS 36.30.850(b)(11) is amended to read:

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

4 * Sec. 18. AS 36.30.850(b)(30) is amended to read:

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

8 * Sec. 19. AS 37.06.020(i) is amended to read:

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

11 * Sec. 20. AS 38.06.025(a) is amended to read:

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

16 * Sec. 21. AS 39.20 is amended by adding a new section to read:

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

20 * Sec. 22. AS 39.50.200(b)(18) is amended to read:

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

22 * Sec. 23. AS 39.50.200(b)(55) is amended to read:

23 (55) Alaska Human Resource Investment Council (AS 23.15.550)
24 [(AS 44.19.620)].

25 * Sec. 24. AS 39.52.170(c) is amended to read:

26 (c) The head of a principal executive department of the state may not accept
27 employment for compensation outside the agency that the executive head serves. The
28 rural affairs advocate may not accept employment for compensation outside the
29 Office of the Governor.

30 * Sec. 25. AS 39.52.180(d) is amended to read:

31 (d) A former governor, lieutenant governor, rural affairs advocate, or head of
32 a principal department in the executive branch may not engage in activity as a lobbyist

1 under AS 24.45 for a period of one year after leaving service as the governor, lieutenant
2 governor, rural affairs advocate, or department head, as appropriate. This subsection
3 does not prohibit service as a volunteer lobbyist described in AS 24.45.161(a)(1) or a
4 representational lobbyist as defined under regulations of the Alaska Public Offices
5 Commission.

6 * **Sec. 26.** AS 42.45.060(a) is amended to read:

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

12 * **Sec. 27.** AS 44.19.010 is amended to read:

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

16 * **Sec. 28.** AS 44.19 is amended by adding a new section to read:

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

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

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

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

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

28 (5) advocate within state government for maximization of local
29 autonomy and local control; and

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

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

1 * Sec. 29. AS 44.19.145(a) is amended to read:

2 (a) The office shall

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

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

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

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

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

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

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

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

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

24 (10) review all proposals for the location of capital improvements by any
25 state agency and advise and make recommendations concerning location of these capital
26 improvements;

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

31 * Sec. 30. AS 44.19.155(a) is amended to read:

32 (a) There is created in the Office of the Governor the Alaska Coastal Policy

1 Council. The council consists of the following:

2 (1) nine public members appointed by the governor from a list comprised
3 of at least three names from each region, nominated by the municipalities of each
4 region; the nominees shall be the mayor or member of the assembly or council of a
5 municipality; one public member shall be appointed from each of the following general
6 regions:

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

10 (B) Bering Straits, including, generally, the area of the Bering
11 Straits regional educational attendance area;

12 (C) southwest Alaska, including, generally, the area within the
13 Lower Yukon, Lower Kuskokwim, and Southwest [, AND LAKE &
14 PENINSULA] regional educational attendance areas and the Lake and
15 Peninsula and Bristol Bay Boroughs [BOROUGH];

16 (D) Kodiak-Aleutians, including the area of the Kodiak Island
17 and Aleutian East Borough [BOROUGH] and the Aleutian, Adak and Pribilof
18 regional educational attendance areas;

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

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

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

25 (H) northern Southeast Alaska, including the area southeast of
26 141 W. longitude and north of 57 N. latitude, including the entirety of the City
27 and Borough of Sitka; and

28 (I) southern Southeast Alaska, including that portion of
29 southeastern Alaska not contained within the area described in (H) of this
30 paragraph;

31 (2) each of the following:

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

1 (B) the commissioner of community [COMMERCE] and
2 economic development;

3 (C) [THE COMMISSIONER OF COMMUNITY AND
4 REGIONAL AFFAIRS;

5 (D)] the commissioner of environmental conservation;

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

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

8 (F) [(G)] the commissioner of transportation and public
9 facilities.

10 * **Sec. 31.** AS 44.19.155(d) is amended to read:

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

23 * **Sec. 32.** AS 44.19 is amended by adding a new section to read:

24 **Article 13. Office of International Trade.**

25 **Sec. 44.19.630. International trade.** (a) The office of international trade is
26 established in the office of the governor. The purpose of the office is to foster the
27 growth of trade between Alaska and foreign countries.

28 (b) The governor shall maintain foreign offices, including offices located in
29 Tokyo, Japan, and Seoul, Republic of Korea. The foreign offices shall serve as outlets
30 for information related to economic development, resources, and trade and as contact
31 points for government and private industry of Alaska and for the Pacific Rim nations of
32 Asia and other foreign countries to promote and maintain trade between the state and

1 those countries.

2 (c) The governor shall staff the foreign offices with persons the governor selects
3 based on their experience, training, and linguistic ability. The governor shall solicit
4 ideas from the legislature regarding desirable staff qualifications and its
5 recommendations of persons to staff the foreign offices. The governor may hire
6 additional personnel as necessary.

7 (d) The governor shall direct all state agencies, and request the federal
8 government and private industry, to provide the office with necessary reports, brochures,
9 and information requested by the office.

10 (e) The governor shall prepare a report annually on the activities and
11 accomplishments of the office under this section and notify the legislature that the report
12 is available.

13 (f) The expenses of operating the office's activities under this section, including
14 its foreign offices, shall be included in appropriations made to the governor.

15 (g) Employees of the office, including personnel in its foreign offices, are in the
16 partially exempt service.

17 (h) In this section, "office" means the office of international trade.

18 * Sec. 33. 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 * Sec. 34. AS 44.33.010 is amended to read:

32 **Sec. 44.33.010. Commissioner of community [COMMERCE] and economic**

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

6 * **Sec. 35.** AS 44.33 is amended by adding a new section to read:

7 **Sec. 44.33.015. Establishment of divisions; directors.** (a) The following
8 divisions are created within the department:

- 9 (1) the division of rural affairs;
10 (2) the division of statewide development;
11 (3) the division of occupational licensing;
12 (4) the division of investments;
13 (5) the division of insurance;
14 (6) the division of banking, securities, and corporations; and
15 (7) the division of administration.

16 (b) Each division designated in this section is under the administrative control
17 of the commissioner and under the supervision of a director who may be appointed by
18 the commissioner.

19 (c) The governor and the commissioner may not create a division within the
20 department that is not authorized under (a) of this section.

21 * **Sec. 36.** AS 44.33.020 is amended to read:

22 **Sec. 44.33.020. Duties of department.** The Department of Community
23 [COMMERCE] and Economic Development shall

- 24 (1) administer the state programs relating to commerce, enforce the laws
25 relating to these programs, and adopt regulations under these laws;
26 (2) register corporations;
27 (3) collect corporation franchise taxes;
28 (4) enforce state laws regulating public utilities and other public service
29 enterprises, banking and securities, insurance, and other businesses and enterprises
30 touched with a public interest;
31 (5) make veterans' loans;
32 (6) [REPEALED]

- 1 (7)] promote and develop civil aviation;
- 2 (7) [(8)] furnish the budgeting, clerical, and administrative services for
3 regulatory agencies and professional and occupational licensing boards not otherwise
4 provided for;
- 5 (8) [(9)] REPEALED
- 6 (10) REPEALED
- 7 (11) REPEALED
- 8 (12)] conduct studies, enter into contracts and agreements, and make
9 surveys relating to the economic development of the state and, when appropriate,
10 assemble, analyze, and disseminate the findings obtained;
- 11 (9) [(13)] provide factual information and technical assistance for
12 potential industrial and commercial investors;
- 13 (10) [(14)] receive gifts, grants, and other aid that facilitate the powers
14 and duties of the department from agencies and instrumentalities of the United States or
15 other public or private sources;
- 16 (11) [(15)] establish and activate programs to achieve balanced economic
17 development in the state and advise the governor on economic development policy
18 matters;
- 19 (12) [(16)] formulate a continuing program for basic economic
20 development and for the necessary promotion, planning and research that will advance
21 the economic development of the state;
- 22 (13) [(17)] cooperate with private, governmental, and other public
23 institutions and agencies in the execution of economic development programs;
- 24 (14) [(18)] review the programs and annual reports of other departments
25 and agencies as they are related to economic development and prepare an annual report
26 on the economic growth of the state;
- 27 (15) [(19)] administer the economic development programs of the state;
- 28 (16) [(20)] perform all other duties and powers necessary or proper in
29 relation to economic development and planning for the state;
- 30 (17) [(21)] request tourism-related businesses in the state to provide data
31 regarding occupancy levels, traffic flow and gross receipts and to participate in visitor
32 surveys conducted by the department; data collected under this paragraph that [WHICH]

1 discloses the particulars of an individual business is not a matter of public record and
 2 shall be kept confidential; however, this restriction does not prevent the department from
 3 using the data to formulate tourism economic impact information including expenditure
 4 patterns, tax receipts and fees, employment and income attributable to tourism, and other
 5 information considered relevant to the planning, evaluation and policy direction of
 6 tourism in the state;

7 (18) [(22) REPEALED

8 (23) REPEALED

9 (24)] provide administrative and budgetary services to the real estate
 10 commission under as 08.88 as requested by the commission;

11 (19) [(25) REPEALED

12 (26) REPEALED

13 (27) REPEALED

14 (28)] sell at cost, to the extent possible, publications and promotional
 15 materials developed by the department;

16 (20) [(29)] as delegated by the governor, administer under 16 U.S.C.
 17 1856 the internal waters foreign processing permit procedures and collect related fees;

18 (21) [(30)] administer state laws relating to the issuance of business
 19 licenses;

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

23 [(31) REPEALED

24 (32) REPEALED

25 (33) FOSTER THE GROWTH OF INTERNATIONAL TRADE
 26 WITHIN THE STATE AND ADMINISTER ALASKA FOREIGN OFFICES].

27 * Sec. 37. AS 44.33.020 is amended by adding a new subsection to read:

28 (b) The department shall

29 (1) advise and assist local governments;

30 (2) serve as staff for the Local Boundary Commission;

31 (3) conduct studies and carry out experimental and pilot projects for the
 32 purpose of developing solutions to community and regional problems;

- 1 (4) promote cooperative solutions to problems affecting more than one
2 community or region, including joint service agreements, regional compacts, and other
3 forms of cooperation;
- 4 (5) serve as a clearinghouse for information useful in solution of
5 community and regional problems, and channel to the appropriate authority requests for
6 information and services;
- 7 (6) advise and assist community and regional governments on matters
8 of finance, including but not limited to bond marketing and procurement of federal
9 funds;
- 10 (7) prepare suggested guidelines relating to the content of notice of bond
11 sale advertisements, prospectuses, and other bonding matters issued by local
12 governments;
- 13 (8) administer state funds appropriated for the benefit of unorganized
14 regions within the state, allowing for maximum participation by local advisory councils
15 and similar bodies;
- 16 (9) carry out those administrative functions in the unorganized borough
17 that the legislature may prescribe;
- 18 (10) study existing and proposed laws and state activities that affect
19 community and regional affairs and submit to the governor recommended changes in
20 those laws and activities;
- 21 (11) coordinate activities of the state that affect community and regional
22 affairs;
- 23 (12) assist in the development of new communities and serve as the
24 agent of the state for purposes of participation in federal programs relating to new
25 communities;
- 26 (13) supervise planning, management, and other activities required for
27 local eligibility for financial aid under those federal and state programs that provide
28 assistance to community and regional governments;
- 29 (14) advise and assist municipalities on procedures of assessment,
30 valuation, and taxation, and notify municipalities of major errors in those procedures;
- 31 (15) apply for, receive, and use funds from federal and other sources,
32 public or private, for use in carrying out the powers and duties of the department;

1 (16) request and utilize the resources of other agencies of state
2 government in carrying out the purposes of this chapter to the extent such utilization is
3 more efficient than maintaining departmental staff, reimbursing the other agencies when
4 appropriate;

5 (17) carry out the powers and duties assigned it under AS 42.45;

6 (18) administer state and, as appropriate, federal programs for revenue
7 sharing, grants, and other forms of financial assistance to community and regional
8 governments; and

9 (19) carry out other functions and duties, consistent with law, necessary
10 or appropriate to accomplish the purpose of this chapter.

11 * Sec. 38. AS 44.55 is amended by adding new sections to article 1 to read:

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

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

27 (1) "Alyeska settlement fund" means the trust fund established in the
28 state treasury for the purpose of receiving, holding, and disbursing the settlement
29 proceeds received by the state under the Agreement and Consent Decree in re: The
30 Exxon Valdez, United States District Court, District of Alaska, Case No. A92-175 Civil,
31 decree entered November 25, 1992;

32 (2) "Exxon Valdez oil spill restoration fund" means the fund established

1 by the Department of Revenue to implement the judgment entered by the United States
 2 District Court for Alaska in the criminal case United States of America v. Exxon
 3 Shipping Company and Exxon Corporation, No. A90-015 CR.

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

5 (1) "commissioner" means the commissioner of community and
 6 economic development;

7 (2) "department" means the Department of Community and Economic
 8 Development.

9 * **Sec. 39.** AS 44.33 is amended by adding new sections to read:

10 **Article 7A. Rural Development.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 (2) may, with the concurrence of an appropriate village entity recognized
23 by the commissioner under (b) of this section or, in the absence of an appropriate village
24 entity, under procedures prescribed by regulations of the commissioner, accept,
25 administer, and dispose of land conveyed in trust by a state or federal agency and by the
26 dissolution of a municipality under AS 29.06.450 - 29.06.530.

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

31 (c) Within one complete state fiscal year after the incorporation of a
32 municipality in the village or of a municipality that includes all or part of the village,

1 land acquired under this section shall be conveyed without cost to the municipality, and
2 the municipality shall succeed to all the entrusted interest in the land.

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

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

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

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

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

21 (b) The loan information officers shall be trained, to the extent that the
22 department considers necessary, in a program administered by the department and
23 approved by the Alaska Housing Finance Corporation, the Alaska Industrial
24 Development and Export Authority, and the principal departments of the executive
25 branch that administer loan programs.

26 (c) A majority of the loan information officers shall be persons who are
27 conversant in Alaska Native languages that are spoken by a significant number of Alaska
28 Natives. The department shall provide brochures and other printed materials, written in
29 easily understandable English and in the Alaska Native languages that are spoken by a
30 significant number of Alaska Natives, for distribution by the loan information officers.
31 The brochures and printed materials must explain the purposes of the various state loan
32 programs, the minimum qualifications under the programs, the method for obtaining

1 assistance in the completion of applications for the programs, and other information the
 2 department determines will improve the access of persons in rural areas to the state's
 3 loan programs.

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

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

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

20 (b) The commissioner may place money from the fund into a special reserve
 21 account as necessary. The commissioner may use money in the account to protect the
 22 state's security interest in collateral on loans made from the fund, to protect the state's
 23 interests in investments made from the fund, or to defray expenses incurred during
 24 foreclosure or other legal proceedings involving loans or investments made from the
 25 fund.

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

28 **Sec. 44.33.770. Rural development loans.** (a) The department may use money
 29 from the rural development initiative fund to make a loan of up to \$100,000 to a person,
 30 or a loan of up to \$200,000 to two or more persons, to be used for working capital,
 31 equipment, construction, or other commercial purposes by a business located in a
 32 community with a population of 5,000 or less. A person who has received a loan under

1 this subsection may not be granted another loan until after the original loan is entirely
2 repaid.

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

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

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

16 (1) "commissioner" means the commissioner of community and
17 economic development;

18 (2) "department" means the Department of Community and Economic
19 Development.

20 **Article 7B. Planning Assistance.**

21 **Sec. 44.33.781. Planning assistance for development and maintenance of**
22 **district coastal management programs.** (a) The department shall conduct a program
23 of research, training, and technical assistance to coastal resource districts necessary for
24 the development and implementation of district coastal management programs under
25 AS 46.40. The technical assistance shall include the direct granting to the coastal
26 resource districts of a portion of any funds received by the state from the federal coastal
27 zone management program, in amounts to be individually determined for each coastal
28 resource district by the commissioner of community and economic development. State
29 agencies shall assist the department in carrying out the purposes of this section.

30 **Sec. 44.33.782. Planning assistance to platting authorities.** To facilitate
31 planning in municipalities that exercise planning and zoning authority, the department
32 may provide planning assistance, including but not limited to surveys, land use studies,

1 urban renewal plans, technical services, model acts that include regulations designed to
 2 encourage development and use of energy systems not dependent on oil or gas, and other
 3 planning work to a city, borough, or other platting authority. In an area under the
 4 jurisdiction, for planning purposes, of a city, borough, or other platting authority, the
 5 department may not perform the planning work except at the request or with the consent
 6 of the local authority.

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

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

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

22 **Sec. 44.33.790. Definition.** In AS 44.33.782 - 44.33.790, "department" means
 23 the Department of Community and Economic Development.

24 * **Sec. 40.** AS 44.33 is amended by adding new sections to read:

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

26 **Sec. 44.33.810. Local Boundary Commission.** There is in the Department of
 27 Community and Economic Development a Local Boundary Commission. The Local
 28 Boundary Commission consists of five members appointed by the governor for
 29 overlapping five-year terms. One member shall be appointed from each of the four
 30 judicial districts described in AS 22.10.010 and one member shall be appointed from the
 31 state at large. The member appointed from the state at large is the chair of the
 32 commission.

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

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

3 (2) adopt regulations providing standards and procedures for municipal
4 incorporation, annexation, detachment, merger, consolidation, reclassification, and
5 dissolution;

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

9 (4) develop standards and procedures for the extension of services and
10 ordinances of incorporated cities into contiguous areas for limited purposes upon
11 majority approval of the voters of the contiguous area to be annexed and prepare
12 transition schedules and prorated tax mill levies as well as standards for participation by
13 voters of these contiguous areas in the affairs of the incorporated cities furnishing
14 services.

15 (b) The Local Boundary Commission may

16 (1) conduct meetings and hearings to consider local government
17 boundary changes and other matters related to local government boundary changes,
18 including extensions of services by incorporated cities into contiguous areas and matters
19 related to extension of services; and

20 (2) present to the legislature during the first 10 days of a regular session
21 proposed local government boundary changes, including gradual extension of services
22 of incorporated cities into contiguous areas upon a majority approval of the voters of the
23 contiguous area to be annexed and transition schedules providing for total assimilation
24 of the contiguous area and its full participation in the affairs of the incorporated city
25 within a period not to exceed five years.

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

30 **Sec. 44.33.816. Minutes and records.** The Local Boundary Commission shall
31 keep minutes of all meetings and hearings. If the proceedings are transcribed, minutes
32 shall be made from the transcription. The minutes are a public record. All votes taken

1 by the commission shall be entered in the minutes.

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

9 **Sec. 44.33.820. Quorum.** Three members of the commission constitute a
10 quorum for the conduct of business at a meeting. Two members constitute a quorum
11 for the conduct of business at a hearing.

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

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

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

21 **Sec. 44.33.828. When boundary change takes effect.** When a local
22 government boundary change is proposed to the legislature during the first 10 days of
23 any regular session, the change becomes effective 45 days after presentation or at the
24 end of the session, whichever is earlier, unless disapproved by a resolution concurred
25 in by a majority of the members of each house.

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

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

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

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

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

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

5 (2) an indication of local interest in the proposed study consisting of

6 either

7 (A) a petition requesting the study containing the signatures and
8 addresses of five percent of the voters residing in the area of the proposed study
9 based on the number of voters who voted in the area in the last statewide
10 election; or

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

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

18 (1) the standards applicable to the incorporation of boroughs under
19 AS 29.05.031;

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

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

22 (4) boundaries of the regional educational attendance areas established
23 under AS 14.08.031; and

24 (5) boundaries of coastal resource service areas organized under
25 AS 46.40.110 - 46.40.210.

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

30 (1) public participation in the preparation of the study;

31 (2) completion of the study not later than June 30 of the third year after
32 the year the contract is executed.

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(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.

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

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

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

(A) is of sufficient geographic size and contains a large enough

1 population to form an economically viable unit with shared interests, resources,
2 traditions, and goals;

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

5 (C) contains the entire area of each municipality included in the
6 region;

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

9 (4) serve as liaison between organizations and other state agencies and
10 encourage other agencies to make resources available to help accomplish goals of the
11 organizations;

12 (5) assist each organization to

13 (A) provide services designed to encourage economic
14 development to local communities and businesses;

15 (B) collect and distribute economic information relevant to the
16 region;

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

19 (D) develop and implement strategies to attract new industry,
20 expand international trade opportunities, and encourage tourism within the
21 region.

22 (b) Subject to (c) of this section, the department may make regional
23 development grants to organizations for projects the department determines will be of
24 value in encouraging economic development. During a fiscal year, the department may
25 make no more than 15 grants and may only make grants to one organization from a
26 particular region. An organization that is designated an economic development district
27 under 42 U.S.C. 3171 qualifies for grants under this subsection. The department shall
28 by regulation adopt procedures for applying for regional development grants, including
29 application deadlines. The department may by regulation establish additional grant
30 eligibility requirements.

31 (c) To qualify for a grant, a regional development organization must match the
32 grant by providing an amount of money from nonstate sources. The department shall

1 establish by regulation a formula that determines the amount of the match required under
2 this subsection based on the capability of each organization to generate money from
3 nonstate sources. The amount of match required may not exceed the amount of grant
4 money and may not be less than 20 percent of the grant. The total amount of grant
5 money provided to an organization during a fiscal year may not exceed \$100,000.

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

9 (e) In this section,

10 (1) "department" means the Department of Community and Economic
11 Development;

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

17 * Sec. 41. AS 46.03.900(33) is amended to read:

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

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

24 (B) has

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

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

29 (iii) a council recognized by the commissioner of
30 community and economic development [REGIONAL AFFAIRS] under
31 regulations adopted by the Department of Community and Economic
32 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. 42.** AS 46.04.900(22) is amended to read:

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

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

9 (B) has

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

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

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

19 * **Sec. 43.** AS 46.08.900(16) is amended to read:

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

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

27 (B) has

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

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

32 (iii) a council recognized by the commissioner of

1 community and economic development [REGIONAL AFFAIRS] under
2 regulations adopted by the Department of Community and Economic
3 Development [REGIONAL AFFAIRS] to determine and give official
4 recognition of village entities under AS 44.33.755(b) [AS 44.47.150(b)].

5 * Sec. 44. AS 46.40.170(b) is amended to read:

6 (b) At the request of the council, the Department of Community and Economic
7 Development [REGIONAL AFFAIRS] shall complete the district coastal management
8 program in accordance with this chapter and the guidelines and standards adopted by the
9 council for a coastal resource service area that [WHICH] has been organized but that
10 [WHICH] has failed to make substantial progress in the preparation of an approvable
11 district coastal management program within 18 months of certification of the results of
12 an organization election or that [WHICH] has not submitted for approval to the council
13 a program within 30 months of certification of the results of its organization election.
14 Preparation of the program shall be conducted in consultation with the coastal resource
15 service area and shall, to the maximum extent consistent with this chapter, reflect the
16 expressed concerns of the residents of the service area.

17 * Sec. 45. AS 46.40.190(a) is amended to read:

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

24 * Sec. 46. AS 46.40.210(2) is amended to read:

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

27 (A) unified municipalities;

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

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

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

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

* Sec. 47. AS 47.05.030(a) is amended to read:

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

* Sec. 48. AS 47.27.060 is amended to read:

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

* Sec. 49. AS 47.27.900(2) is amended to read:

(2) "child care assistance" means payments made by the Department of Health and Social Services [OR THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] to Alaska temporary assistance program participant families or to providers for the care of children of the participant families;

1 * **Sec. 50.** AS 47.90.040 is amended to read:

2 **Sec. 47.90.040. Consultation and coordination.** The commissioner shall
3 consult and cooperate with the Department of Health and Social Services; the
4 Department of Education and Child Development, including the division of vocational
5 rehabilitation; the University of Alaska, community colleges, and other colleges as
6 appropriate; [THE DEPARTMENT OF LABOR, INCLUDING THE DIVISION OF
7 EMPLOYMENT SECURITY;] and other persons or agencies that the commissioner
8 considers appropriate in the implementation of this chapter.

9 * **Sec. 51.** AS 47.90.070(1) is amended to read:

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

12 * **Sec. 52. REPEALER.** AS 39.25.120(c)(21); AS 44.17.005(17); AS 44.19.620, 44.19.621,
13 44.19.622, 44.19.623, 44.19.624, 44.19.625, 44.19.626, 44.19.627; AS 44.33.240, 44.33.242,
14 44.33.245, 44.33.255, 44.33.260, 44.33.270, 44.33.272, 44.33.275, 44.33.800; and AS 44.47.010,
15 44.47.020, 44.47.050, 44.47.051, 44.47.055, 44.47.080, 44.47.090, 44.47.092, 44.47.095,
16 44.47.100, 44.47.130, 44.47.140, 44.47.145, 44.47.150, 44.47.155, 44.47.250, 44.47.260,
17 44.47.270, 44.47.280, 44.47.290, 44.47.300, 44.47.305, 44.47.310, 44.47.565, 44.47.567,
18 44.47.569, 44.47.571, 44.47.573, 44.47.575, 44.47.577, 44.47.579, 44.47.581, 44.47.583,
19 44.47.700, 44.47.710, 44.47.720, 44.47.730, 44.47.750, 44.47.752, 44.47.754, 44.47.756,
20 44.47.758, 44.47.760, 44.47.762, 44.47.764, 44.47.766, 44.47.768, 44.47.770, 44.47.772,
21 44.47.800, 44.47.810, 44.47.820, 44.47.900, 44.47.980, 44.47.998 are repealed.

22 * **Sec. 53. REPEALER.** AS 44.33.895, added by sec. 40 of this Act, is repealed July 1,
23 2000.

24 * **Sec. 54. TRANSITIONAL PROVISIONS.** (a) Litigation, hearings, investigations, and
25 other proceedings pending under a law repealed or amended by this Act, or in connection with
26 functions transferred by this Act, continue in effect and may be completed notwithstanding a
27 transfer or repeal provided for in this Act.

28 (b) Regulations in effect on June 30, 1999, that were adopted to implement a function
29 that is transferred by this Act remain in effect and shall be enforced by the agency to which the
30 function is transferred under this Act until amended by the agency to which the function is
31 transferred.

32 (c) Wherever in Alaska Statutes affected by this Act there is a reference to regulations

1 adopted under a section of law and there are no regulations adopted under that section because
2 previous regulations adopted under another section are being enforced under (b) of this section,
3 the reference shall be construed to refer to the previously adopted regulations until they are
4 amended by the new agency.

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

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

11 * **Sec. 55. DIVISION OF TOURISM CONVERTED TO OFFICE.** The duties of the
12 division of tourism, Department of Commerce and Economic Development, and the duties of
13 the director of that division, are transferred, respectively, to the office of tourism, in the
14 Department of Community and Economic Development, and to the manager of that office. This
15 section applies to duties existing on June 30, 1999, and to duties that are created after
16 June 30, 1999, under legislation passed during the Twenty-First Alaska State Legislature that
17 becomes law.

18 * **Sec. 56. REVISOR'S INSTRUCTION REGARDING DEPARTMENT OF COMMERCE**
19 **AND ECONOMIC DEVELOPMENT.** Wherever in the Alaska Statutes and the Alaska
20 Administrative Code the terms "Department of Commerce and Economic Development" and
21 "commissioner of commerce and economic development" are used, they shall be read,
22 respectively, as "Department of Community and Economic Development" and "commissioner
23 of community and economic development" when to do so would be consistent with the changes
24 made by this Act.

25 * **Sec. 57. REVISOR'S INSTRUCTION REGARDING DEPARTMENT OF EDUCATION.**
26 Wherever in the Alaska Statutes and the Alaska Administrative Code the terms "Department of
27 Education" and "commissioner of education" are used, they shall be read, respectively, as
28 "Department of Education and Child Development" and "commissioner of education and child
29 development" when to do so would be consistent with the changes made by this Act.

30 * **Sec. 58. REVISOR'S INSTRUCTION REGARDING DEPARTMENT OF LABOR.**
31 Wherever in the Alaska Statutes and the Alaska Administrative Code the terms "Department of
32 Labor" and "commissioner of labor" are used, they shall be read, respectively, as "Department

1 of Labor and Workfor Development" and "commissioner of labor and workforce development"
2 when to do so would be consistent with the changes made by this Act.

3 * Sec. 59. SPECIFIC INSTRUCTIONS TO REVISOR OF STATUTES CONCERNING
4 SPECIFIC REFERENCES. (a) The revisor of statutes shall change references to "community
5 and regional affairs" to read "community and economic development" in the following statutes:

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

7 (2) AS 14.08.031(a), 14.08.051(a); AS 14.17.410(b)(2), 14.17.410(c)(1),
8 14.17.410(e)(1)(B), 14.17.490(b), 14.17.510(a);

9 (3) AS 15.07.055(a)(3); AS 15.13.010(a)(2);

10 (4) AS 18.26.030(a)(3); AS 18.56.030(a)(2), 18.56.097;

11 (5) AS 19.30.131(a), 19.30.131(b), 19.30.131(c);

12 (6) AS 26.23.071(b);

13 (7) AS 28.01.010(b);

14 (8) AS 29.60.120(d), 29.60.370(a), 29.60.620(b), 29.60.650(2); AS 29.65.050(c),
15 29.65.050(d), 29.65.120; AS 29.71.800(5), 29.71.800(8);

16 (9) AS 37.05.317, 37.05.530(c); AS 37.06.010(g), 37.06.020(l), 37.06.030(c),
17 37.06.080;

18 (10) AS 41.15.180(a), 41.15.180(b), 41.15.180(f), 41.15.180(g);

19 (11) AS 42.45.060(c), 42.45.990(1);

20 (12) AS 43.75.137; AS 43.77.040(b), 43.77.060(d);

21 (13) AS 44.21.200(a)(2); AS 44.85.030, 44.85.320(b);

22 (14) AS 46.08.040(a); 46.40.120(b), 46.40.120(d), 46.40.140(c), 46.40.170(a),
23 46.40.180(a), 46.40.180(d), 46.40.210(5);

24 (15) AS 47.18.010(c); AS 47.80.090(8).

25 (b) Wherever in the Alaska Statutes and the Alaska Administrative Code the terms
26 "division of tourism" and "director of tourism" are used, they shall be read, respectively, as
27 "office of tourism" and "manager of tourism" when to do so would be consistent with sec. 55
28 of this Act.

29 (c) Wherever in the Alaska Statutes and the Alaska Administrative Code the terms
30 "division of international trade" and "director of international trade" are used, they shall be read,
31 respectively, as "office of international trade" and "manager of international trade" when to do
32 so would be consistent with secs. 32 and 52 of this Act.

1 * **Sec. 60.** IMPLEMENTATION OF SECTIONS 55 - 59 OF THIS ACT. Under
2 AS 01.05.031, the revisor of statutes shall implement secs. 55 - 59 in the statutes and, under
3 AS 44.62.125(b)(6), the regulations attorney shall implement secs. 55 - 59 in the administrative
4 code.

5 * **Sec. 61.** This Act takes effect July 1, 1999.

Consolidation Plan

-2-2-

April 14, 1999

Specific agency responsibilities under Knowles' preliminary plan include:

Department of Community and Economic Development

Community Assistance and Development

- Financial assistance to communities -- municipal assistance, revenue sharing, capital matching grants, shared taxes, coastal zone aid (not including Coastal Zone Management).
- Management and technical assistance for local governments, rural utilities, small businesses
- Community economic and energy development -- ARDOFS, CDQs, mini-grants, Rural Development Initiative Fund, rural energy programs, Low Income Home Energy Assistance Program
- Local boundary commission; state assessor

Trade and Commerce

- Marketing Alaska, including international trade and tourism
- Banking, securities, corporations
- Business licensing
- Insurance
- Occupational licensing
- Loan servicing
- Independent agencies -- Public Utilities Commission, Seafood Marketing Institute, Alaska Railroad, Science & Technology Foundation, Aerospace Development Corp., AIDEA.

Power Cost Equalization to be funded and administered through AIDEA/AEA.

Department of Labor and Workforce Development

Workforce Development

- Employment services
- Work services
- x • State Training and Employment Program
- x • Job Training Partnership Act
- x • Vocational rehabilitation
- x • One Stop centers
- x • Adult basic education
- Human Resources Investment Council
- Labor market information

Alaska labor relations agency

Worker Protection

- Unemployment insurance
- Occupational safety and health
- Wage and hour administration
- Mechanical inspection
- Safety advisory council
- Workers' compensation
- Fishermen's fund
- Second Injury fund

*-NEW
?
AUTECH

Department of Education and Child Development

Child Development

- Quality and licensing of child care and pre-schools
- Early learning
- Head Start
- Child care and day care financial assistance
- Child development research, comprehensive plan, indicators and evaluation
- Children's cabinet
- Nutrition

Education

- Quality schools programs
- K-12 financial assistance
- Vocational education
- State owned schools
- State library and museum
- Post Secondary Education Commission

State Board of Education

Editors: Video from today's signing ceremony will be aired on the Governor's Window on ARCS at 3:30 p.m. today. Radio actualities will be available on the Governor's Information Line, 800-478-5669 or 456-5213 in Juneau. Digital Photos can be downloaded at www.gov.state.ak.us/photogallery/index000.htm

HB 40
Agency Programs by Department
 Version "K" 4/28/99

Labor & Workforce Development	Community & Economic Development	Education & Child Development
(Currently in Dept. of Labor) Wage & hour Mechanical Inspection Unemployment Insurance Occupational Safety & Health Safety Advisory Council Fishermens Fund Workers' Comp Labor Relations Agency Employment Services Work Services	(Currently in C&RA) Community Development Assistance Community & Economic Development National Forest Receipts Revenue Sharing Municipal Assistance Unicorporated Capital Matching Grants State Assessor Local Boundary Commission PCE Energy Operations Circuit Rider National Petroleum Reserve Program Statewide Assistance Renters' Equivalency Rebate	(Currently in Dept. of Education) Quality Schools Program K-12 Financial Assistance Vocational Technical Education State Owned Schools State Library and Museum Post Secondary Education Commission Teaching and Learning Support** Alaska State Council on the Arts (Currently in C&RA) Head Start Child Care Pass II, III Day Care Assistance
(Currently in DOE) Adult Basic Education Vocational Rehabilitation	(Currently in C&ED)	(Currently in H&SS) Child Care Licensing
(Currently in Community & Regional Affairs) Job Training Partnership Act State Training & Employment Program	Trade & Development Investments Tourism ATMC AIDEA ASTF ASMI AADC Banking, Securities & Corporations Insurance Occupational Licensing APUC	
(Currently in Governor's Office) Alaska Human Resource Investment Council*	(Currently in DOA) Capital Matching Grants (Incorporated) Municipal Grants	

* AHRIC will transfer to L&WD at the completion of their 5 year planning cycle (July 1, 2000).

** Teaching and Learning Support includes Preschool Certification, Teacher Certification, Community Schools & Child Nutrition.

Representative Vic Kohring
Alaska State Capitol, Room 421
Juneau, Alaska 99801

Dear Representative Kohring:

I urge you to pass House Bill 400. Merging two departments that are involved in economic development throughout Alaska is a smart way to cut government. Having one department responsible for improving our economy will help all communities and businesses.

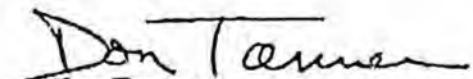
As a small businessman, providing service is important to my customers. I take every effort to minimize my overhead. State government should do the same. This merger bill is the first step in cutting unnecessary overhead.

As a former Deputy Commissioner for the Department of Community and Regional Affairs, I am aware of the economic problems faced in rural Alaska. This merger bill will increase efficiencies and greatly enhance economic growth in rural areas.

Being the Deputy Commissioner I also know that the two departments perform similar tasks. Only one commissioner and administration is needed for the activities of the two departments.

I encourage the Legislature to pass this bill. It will be good for rural Alaska, good for business, and good for the State budget.

Sincerely,


Don Tanner

HB 400

Boards and Commissions after Merger

Currently: DCED Commissioner sits on 12 Boards and Commissions
DCRA Commissioner sits on 15 Boards and Commissions

- House Bill 400 includes a provision to allowing a designee to act for the Commissioner on these Boards and Commissions.

Statutory Boards and Commissions

Alaska Aerospace Development Corp. (AS 14.40.826)	
Alaska Coastal Policy Council (AS 44.19.155)	
Alaska Housing Finance Corporation (AS 18.56.030)	Designee
Alaska Industrial Dev. & Export Authority (AS 44.88.030)	Designee
Alaska Energy Authority (AS 44.83.030)	Designee
Alaska Municipal Bond Bank (AS 44.85.030)	
Alaska Railroad Corporation (AS 42.40.020)	
Alaska Royalty Oil & Gas Dev. Advisory Board (AS 38.06.025)	
Alaska State Emergency Response Commission (AS 26.23.071)	Designee
Alaska Student Loan Corporation (AS 14.42.120)	
Board of Marine Pilots (AS 08.62.010)	Designee
Power Project Loan Committee (AS 42.45.060)	Designee
State Bond Committee (AS 37.15.110)	Designee
Telecommunications Information Council (AS 44.19.502)	

Total: 14 Statutory Boards and Commissions

Non-Statutory Boards

Rural Alaska Community Action Program (RurAL CAP)
Community Development Quota
Oil & Gas Council

House Bill 400

Overlapping Missions of DCED and DCRA

The Departments of Commerce & Economic Development and Community & Regional Affairs both promote rural development. Overlapping missions and activities include:

- Rural Economic Development
- Fisheries
- Rural Tourism
- Infrastructure Planning, Funding, and Assistance
- Rural Sanitation Projects and Funding
- Energy Development
- Electrical Utility Assistance
- Assistance to Economically Distressed Regions
- Small Business Development

adopted N/D

4-30-99

amended to include date of 7/1/2000 N/D

#1

Administration Proposed Amendments to CSHB40 -- Version "I" -- April 26, 1999.

I. Insert the following after current Bill section 4:

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

CHAPTER 37. Licensure of child care facilities

Sec. 14.37.005. Purpose; applicability. (a) The purpose of this chapter is to establish and maintain standard levels for services offered to children in child care facilities. The legislature recognizes the responsibility of parents to select and monitor care givers for their children in order to ensure a reasonably safe and developmentally appropriate child care environment. The child care licensing procedures in this chapter are intended to reduce predictable risk of harm to children and to provide support services to those providing child care services.

(b) This chapter and regulations adopted under this chapter apply to facilities

(1) for which licensure is required by or under AS 14.37.015; or

(2) that are exempt under AS 14.37.015 from licensure but for which a license is issued under AS 14.37.015(c).

Sec. 14.37.010. Powers of department. (a) The department may

(1) license and supervise child care facilities;

(2) investigate applicants, licensees, and persons that the department reasonably believes are operating a facility without a license or certification in violation of this chapter;

(3) adopt regulations to implement the provisions of this chapter, including regulations establishing certification and licensure procedures, standards, and fees; establishing requirements for operation of facilities licensed under this chapter; and distinguishing between types of child care facilities;