

ALASKA LEGISLATURE

1921

HOUSE and SENATE FINANCE COMMITTEE FILES, 1999 - 2000

(4) enter into agreements with private entities, municipalities, or individuals to investigate and make recommendations to the department for the licensing and supervision of child care facilities under procedures and standards of operation established by the department.

(b) The department shall, within 90 days after receiving a written request that it do so, delegate its powers relating to child care facilities under this chapter to a municipality that has adopted an ordinance providing for child care licensing under home rule powers under AS 29.10.010 or as authorized under AS 29.35.200 - 29.35.210. A municipality to which these powers have been delegated may adopt, by ordinance, additional requirements for child care facilities operating within its boundaries if the requirements meet or exceed the requirements adopted by the department.

Sec. 14.37.015. License required; exemptions. (a) A person may not operate a child care facility without a license issued under this chapter unless that facility is exempt from licensure. The following facilities are exempt:

- (1) a facility in which child care is regularly provided and each child's parent is on the premises within reasonable proximity and accessibility to the child;
- (2) a facility located on a United States Department of Defense or United States Coast Guard installation that is located on federal property;
- (3) a recreational program that children are allowed to attend and in which the program assumes no responsibility for care of the children;
- (4) a daytime therapeutic program of supervised, educational, and rehabilitative services for children with special needs or behavioral problems;
- (5) a program that is primarily educational, and that
 - (A) is certified as a pre-elementary school under department regulations adopted under AS 14.07.020;
 - (B) serves children three years of age or older and is exempt from

the department pre-elementary school regulations; or

(C) is operated as a headstart preschool that is required to meet the standards established under 42 U.S.C. 9836a; or

(6) a temporary facility providing care for less than five continuous weeks;

(7) a facility regularly providing child care to four or fewer children unrelated to the care giver;

(8) a facility in which the care giver is a relative of all of the children.

(b) In addition to facilities that, under this section, are exempt from licensure, the department, by regulation, may provide for additional exemptions that the department considers appropriate.

(c) A person may apply for a license for a facility that is exempt from licensure under this section. The department may issue a license to an applicant under this subsection if the applicant meets the requirements of this chapter and regulations adopted under this chapter.

Sec. 14.37.017. Application for license. (a) Application for a license to operate a child care facility shall be made to the department on a form provided by the department and shall be accompanied by any applicable fees established by the department under AS 14.37.010(a)(3).

(b) An application submitted under this section must contain at least the following information:

(1) the name and address of the applicant and, if the applicant is a corporation, partnership, association, or any other form of organization, the name, address, and title of each individual who has an ownership or management interest in the facility; if the applicant is an individual, the application must include the name, age, and driver's license number, if any, of each member of the individual's household;

(2) the name, physical location, and mailing address of the facility for which

the license is sought;

(3) the name and address of the administrator of the facility, if any;

(4) evidence that the administrator is an adult with sufficient experience, training, or education to fulfill the duties of an administrator;

(5) a release for the administrator and for each other person who is 16 years of age or older, as specified by the department by regulation, who will have contact with individuals served by the facility, authorizing the department to review all federal, state, and municipal criminal justice information, whether of this state, of a municipality of this state, or of another jurisdiction, medical records, licensing records, and protective services records, identified in regulations adopted under this chapter, that are relevant to the person who is the subject of the release;

(6) the number of individuals that will be served in the facility;

(7) the type of facility for which the license is sought;

(8) copies of all inspection reports and approvals required by state fire prevention and environmental health and safety authorities for operation of the facility, including any variances granted by these authorities;

(9) a plan of operation, as required by the department by regulation;

(10) a staffing plan that describes the number of people who will work at the facility, staff qualifications, a description of each person's responsibilities, and a supervision schedule for the children in care that meets the requirements established by the department by regulation;

(11) evidence that the applicant has completed orientation or training required by the department by regulation; and

(12) other information required by the department, by regulation, in order to monitor compliance with this chapter and regulations adopted under this chapter.

Sec. 14.37.020. Provisional license; biennial license. (a) The department shall issue a provisional license to a new facility that applies under AS 14.37.017 if, after inspection and investigation, the department determines that the application and plan of operation for the facility meet the requirements of this chapter and regulations adopted under this chapter. A provisional license is valid for a period not to exceed one year. The department may extend a provisional license for one additional period not to exceed one year.

(b) Before expiration of a provisional license issued under (a) of this section, the department shall inspect and investigate the facility in order to determine whether the facility is operating under the provisional license in compliance with this chapter and applicable regulations.

(c) Before expiration of a provisional license, the department shall issue a biennial license for the facility if (1) after inspection and investigation under (b) of this section, the department finds that the facility is operating in compliance with, and meets the licensure requirements of this chapter and regulations adopted under this chapter; (2) none of the grounds for revocation set out in AS 14.37.130(a)(2) exist; and (3) all applicable fees have been paid. The department shall prepare a summary report of its findings and recommendations for issuance of a biennial license.

(d) The issuance of a license by the department does not obligate the department to support the facility financially.

Sec. 14.37.025. Denial of license; right to appeal. (a) If the department denies an application for a license or decides not to issue a biennial license, the department shall hand deliver to the prospective licensee, or mail to the prospective licensee by certified mail, return receipt requested, a notice of denial of licensure. The notice must contain a summary of the department's reasons for denial of the license and a form for requesting a hearing under (b) of this section.

(b) A prospective licensee who was denied licensure may appeal the department's decision by requesting a hearing, on the form provided by the department, within 15 days after receipt of the notice of denial of licensure.

Sec. 14.37.027. Variances. (a) The department may grant to an applicant for a license under this chapter, or to a licensee, a variance from a requirement of this chapter or a regulation adopted under this chapter if that person submits to the department, on a form provided by the department, a complete variance request as required by this section. A variance may be granted if

(1) the applicant or licensee proposes an alternative means, acceptable to the department, to satisfy the intent of the requirement for which the variance is requested; and

(2) the health and safety of children is adequately protected.

(b) A request for a variance must contain the following information:

(1) the statute or regulation from which the variance is sought;

(2) the reasons why the variance is needed;

(3) the period of time for which the variance is requested;

(4) the proposed alternative means of satisfying the intent of the requirement for which the variance is requested;

(5) a statement as to how the health and safety of children will be protected during the period of the variance; and

(6) assurance that the conditions of the facility do not present an imminent danger to the health or safety of individuals served by the facility.

(c) To evaluate a request for a variance, the department shall take one or more of the following actions:

(1) investigate the statements in the request;

(2) inspect the facility;

(3) schedule a conference with the applicant or licensee regarding the

CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
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State of Alaska

(b) A prospective licensee who was denied licensure may appeal the department's decision by requesting a hearing, on the form provided by the department, within 15 days after receipt of the notice of denial of licensure.

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(5) a statement as to how the health and safety of children will be protected during the period of the variance; and

(6) assurance that the conditions of the facility do not present an imminent danger to the health or safety of individuals served by the facility.

(c) To evaluate a request for a variance, the department shall take one or more of the following actions:

(1) investigate the statements in the request;

(2) inspect the facility;

(3) schedule a conference with the applicant or licensee regarding the

variance request.

(d) The department's decision approving or denying a variance must be in writing, and the department shall provide a copy of the decision to the person requesting the variance. If the department grants the variance, the decision must state the term of and conditions of the variance.

(e) If an applicant or licensee violates a condition of a variance granted under this section, the variance is terminated.

Sec. 14.37.029. Content of license; posting. (a) A license issued under this chapter must state

- (1) the period of time during which the license is in effect;
- (2) the name of the facility;
- (3) the type of facility;
- (4) the name of the licensee;
- (5) the location and mailing address of the facility;
- (6) the number and age range of children that the facility may have in care at any time;
- (7) any conditions set by the department;
- (8) variances approved by the department for the duration of the license; and
- (9) the address and phone number of the nearest department office that is responsible for administering this chapter or of the department representative responsible for evaluating that facility under AS 14.37.010(a)(4).

(b) A licensee shall post the license in a conspicuous place in the facility, visible to individuals in care and their families and to facility staff. If the department has approved a variance that is not stated on the license, the licensee shall post a copy of the variance near the license.

Sec. 14.37.033. Licenses not transferable. A license may be issued under this chapter only for the location and person named in the application. A license issued under this chapter may not be transferred to another person or location.

Sec. 14.37.037. Orientation and training. The department, by regulation, may require that an applicant or licensee complete orientation or training to assist that person in operating under the license.

Sec. 14.37.039. Records required. (a) In accordance with regulations adopted by the department, a licensee shall keep the records regarding each individual in its care that are necessary to show compliance with this chapter and regulations adopted under this chapter.

(b) The department's licensing records, with the names of all individuals in care and parents of minors in care deleted to protect the confidentiality of those individuals, are available for public inspection, except for

- (1) material made confidential by state or federal statutes or regulations;
- (2) material that is part of an uncompleted licensing or complaint investigation;
- (3) records that would deprive an applicant, licensee, or other person of a fair and impartial hearing; and
- (4) records for which the department determines that disclosure would constitute an unwarranted invasion of personal privacy.

(c) A government agency that provides funding to a facility licensed under this chapter may have access to that facility's records in order to conduct an audit.

Sec. 14.37.043. Monitoring; investigation. (a) By the first anniversary of the effective date of a biennial license, including a renewed biennial license, the licensee shall submit an annual self-monitoring report to the department. The department shall specify, by regulation, the contents of the report.

(b) To encourage parents of children in child care facilities to become involved in day-to-day monitoring of the care provided by the facilities, the department shall require licensees to give to parents of children in child care in the licensee's facility a summary of the regulatory requirements that apply to the facility and the department's or department representative's telephone contact number for reporting a concern regarding child care. The department also may provide notice of the telephone contact numbers for reporting child care concerns.

(c) The department may conduct an investigation, including announced or unannounced on-site inspections, for ongoing monitoring or to assist in its review of an annual self-monitoring report.

Sec. 14.37.045. Biennial license renewal. (a) At least 90 days before the expiration date of a biennial license, a licensee who wishes to remain licensed shall submit, on a form provided by the department, an application for renewal of the license and any associated variances.

(b) Before expiration of a biennial license, the department or its representative shall inspect a facility that is the subject of a renewal application.

(c) The department shall renew a biennial license if the department finds that

(1) the licensee

(A) either is in compliance with this chapter and regulations adopted under this chapter or is substantially in compliance and has implemented a plan of correction, approved by the department, that is designed to bring the facility into full compliance; and

(B) has maintained the facility in good repair and is in compliance with all state fire safety and environmental health and safety code requirements;

(2) the ground for revocation set out in AS 14.37.130(a)(2) does not exist;

and

(3) all applicable fees have been paid.

(d) If the licensee submits a renewal application within the time period required by the department by regulation, but the department is unable to complete its review before the expiration date of the biennial license, the license is automatically extended for six months, or until the department completes its review and either approves or denies the application, whichever occurs first.

(e) If the department decides to approve an application for renewal, but finds that the applicant is not in compliance with a provision of this chapter, a regulation adopted under this chapter, or a condition on the license, the department, as a condition on the renewed biennial license, shall require the applicant to correct any violations and provide the department with verification of compliance.

(f) If the department denies an application for renewal, it shall provide the applicant with a notice of denial of application. The notice must contain a written statement of the reasons for denial and a form for requesting a hearing under (g) of this section.

(g) An applicant whose application is denied may appeal the department's decision by requesting a hearing, on the form provided by the department, within 15 days after receipt of the notice of denial of application.

Sec. 14.37.047. Notice of changes. (a) A licensee shall provide the department with written notice of a change of mailing address at least 14 days before the effective date of the change.

(b) A licensee shall notify the department within 24 hours after having knowledge of a conviction or indictment, presentment, or charging by information or complaint of an administrator, regular volunteer, staff person, or member of the licensee's household for a violation of the following laws or the laws of another jurisdiction with similar elements:

- (1) offenses against the family and vulnerable adults under AS 11.51;
- (2) perjury under AS 11.56.200;

(3) offenses included in the definition of "serious offense" under AS 12.62.900.

(c) A licensee shall notify the department at least 20 days before the effective date of a decision to relinquish the license.

(d) A licensee shall notify the department at least 20 days before the date on which the licensee wishes to change the number of children in care or hours of operation.

(e) A licensee shall notify the department no later than one day after signing a contract for sale of the licensed facility.

(f) A licensee shall notify the department at least 30 days before the licensee wishes to change the location of the facility.

Sec. 14.37.105. Complaints. (a) A person who believes that a provision of this chapter, a regulation adopted under this chapter, or a condition of a license issued under this chapter has been violated may file a verbal or written complaint with the department.

(b) The department shall investigate all complaints filed under this section unless the department reasonably concludes that the complaint is without merit.

(c) After an investigation under this section, the department shall prepare a written report of investigation and shall mail a copy to the licensee or other person who is the subject of the complaint, and to the complainant if requested. If the department determines that a violation of this chapter, a regulation adopted under this chapter, or a condition of a license issued under this chapter has occurred, the department's report of investigation must contain the following:

(1) a description of the violation;

(2) a citation to the provision of this chapter or the regulation that has been violated, if applicable; and

(3) either

(A) a date by which the violation must be corrected and a verification

of compliance submitted to the department; or

(B) a plan of correction.

(d) A licensee may submit to the department a written response regarding a report of investigation relating to that facility. The department shall retain the written response in the licensing file.

(e) A licensee may not take retaliatory action against a person who files a complaint. A complainant against whom retaliatory action has been taken may recover treble damages in a civil action upon a showing that the actions were taken in retaliation for the filing of a complaint.

Sec. 14.37.110. Investigations; search warrants. (a) An applicant for a license, or a licensee, shall cooperate with the department for purposes of licensing investigations, investigations relating to ongoing monitoring of the facility, or investigations under AS 14.37.105 by

(1) permitting representatives of the department to inspect the facility, review records, interview staff, and interview individuals in care; and

(2) providing to the department information and documentation requested by the department to determine compliance with this chapter and regulations adopted under this chapter.

(b) Following an investigation relating to ongoing monitoring of a facility or relating to a facility that the department believes is operating without a license in violation of this chapter, the department shall prepare and distribute a written report of investigation as described in AS 14.37.105(c), and the facility may submit a response as described in AS 14.37.105(d).

(c) The department may seek a search warrant to inspect a facility if the

(1) department has probable cause to believe that the facility is operating without a license in violation of this chapter and the facility operator refuses to allow an

inspection by the department; or

(2) licensee refuses to allow an inspection of the facility by the department.

Sec. 14.37.120. Enforcement actions. (a) During an investigation under this chapter, the department, by written notice, may suspend operations of the facility if the department has reasonable cause to believe that a violation is occurring that presents an imminent danger to the health or safety of the individuals in care. A suspension under this subsection continues for the time period set by the department and may continue until the department issues a report of investigation under AS 14.37.105(c) or 14.37.110(b).

(b) If, after an investigation under this chapter, the department has determined that a violation of this chapter or a regulation adopted under this chapter has occurred or a ground for revocation or nonrenewal set out in AS 14.37.130 exists, has issued a report of investigation under AS 14.37.105(c) or 14.37.110(b), and has determined that voluntary compliance or a plan of correction is not appropriate, the department may take one or more of the following enforcement actions, as the department considers appropriate:

(1) delivery of a warning notice to the licensee or other person who is the subject of the investigation;

(2) modification of the term of an existing license or reduction of the number of children for whom care can be provided;

(3) suspension of operations of the facility for a period of time set by the department;

(4) suspension of new enrollment in the facility for a period of time set by the department;

(5) nonrenewal of the license;

(6) revocation of the license;

(7) issuance of an order requiring immediate closure of the facility;

(8) assessment of an administrative fine of up to \$500 for each day a

violation continues, not to exceed a total of \$5,000 for a violation.

(c) The department shall provide the licensee or other person who is the subject of an investigation with written notice of the department's decision under (b) of this section to take enforcement action. The notice must contain a form for requesting a hearing under (d) of this section and must describe

(1) each enforcement action that will be taken;

(2) the condition, if any, in the facility that constitutes a violation of this chapter or a regulation adopted under this chapter;

(3) the licensee's or other person's right to appeal the department's decision to take an enforcement action described in (b)(2) - (8) of this section.

(d) A licensee or other person to whom a notice has been provided under (a) or (c) of this section may appeal the department's decision to impose an enforcement action described in (a) or (b)(2) - (8) of this section by filing a written request for a hearing, on the form provided by the department, within 15 days after receipt of the notice of enforcement action.

(e) Unless the violation that prompted enforcement action under (b) of this section presents an imminent danger to the health or safety of the individuals in care, an enforcement action described in a notice provided under (c) of this section may not be imposed until the

(1) time period for requesting a hearing under (d) of this section has passed without a hearing being requested; or

(2) department makes a final decision following a hearing requested under (d) of this section.

(f) If a hearing is requested under (d) of this section, the department's decision following the hearing is a final administrative order.

(g) If a hearing is not requested under (d) of this section, the department's notice of enforcement action constitutes a final administrative order, which the department may seek

the court's assistance in enforcing.

(h) A licensee whose license was revoked or not renewed under this section may not reapply for licensure under this chapter until after the time period, if any, set by the department in its final administrative order. If a time period is not set by the department, the revocation or nonrenewal is permanent, and the former licensee may not again apply for licensure under this chapter.

(i) Assessment of an administrative fine under this section does not preclude imposition of a criminal penalty under AS 14.37.820.

Sec. 14.37.130. Grounds for license revocation or nonrenewal. (a) In addition to the ground of violation of this chapter or a regulation adopted under this chapter, the department may revoke, or decline to renew, a license issued under this chapter on one or more of the following grounds:

(1) failure to submit a timely and complete renewal application;

(2) the indictment or charging by information or complaint, or a criminal conviction within the last 10 years, of the licensee or administrator, member of the licensee's household who is present in the facility at any time the facility is in operation, regular volunteer, or staff person for

(A) a felony;

(B) a misdemeanor crime of assault, reckless endangerment, contributing to the delinquency of a minor, or misconduct involving a controlled substance; or

(C) the crime of perjury, as defined in AS 11 or the laws of another jurisdiction;

(3) the conviction, indictment, presentment, or charging of the licensee or an administrator, member of the licensee's household who is present in the facility at any time the facility is in operation, regular volunteer, or staff person at any time for a violation

or attempted violation of an offense included in the definitions of "serious offense" under AS 12.62.900;

(4) obtaining or attempting to obtain or retain a license under this chapter by fraudulent means, misrepresentation, or by submitting false information;

(5) failure to correct a violation noted in a report of investigation provided under AS 14.37.105(c) or 14.37.110(b);

(6) failure to comply with a final administrative order issued by the department under AS 14.37.120.

(b) A licensee may voluntarily relinquish the license or withdraw an application for renewal.

Sec. 14.37.800. Administrative procedure. The administrative adjudication provisions of AS 44.62 (Administrative Procedure Act) apply to an appeal from a department decision under this chapter relating to denial, involuntary conditioning, or revocation of a license, suspension of operations or admissions, or assessment of an administrative fine.

Sec. 14.37.810. Immunity from liability. (a) A person operating under agreement with the department under AS 14.37.010(a)(4) is immune from civil liability that might otherwise be incurred or imposed for acts or omissions that occurred during the performance of the person's duties on behalf of the department if the person was operating within the scope of the duties delegated to the person under the agreement.

(b) The department and its employees are not liable for civil damages as a result of an act or omission in the licensing, monitoring, or supervision of a facility licensed under this chapter. This subsection does not preclude liability for civil damages as a result of gross negligence or reckless or intentional misconduct.

Sec. 14.37.820. Penalty. A person who violates a provision of this chapter or a regulation adopted under this chapter is guilty of a class B misdemeanor.

Sec. 14.37.900. Definitions. In this chapter,

- (1) "administrator" means an individual who has general administrative charge and oversight of a facility;
- (2) "child" means an individual under 18 years of age, and includes an individual who is a relative of a care provider or administrator;
- (3) "child care" means, care, supervision, and provision of developmental opportunities, with or without compensation, to a child who does not have a parent present;
- (4) "child care facility" means a place where child care is regularly provided for children under the age of 12 for periods of time that are less than 24 hours in duration unless nighttime care is authorized by the department;
- (5) "criminal justice information" has the meaning given in AS 12.62.900;
- (6) "department" means the Department of Education and Child Development;
- (7) "domestic violence" has the meaning given in AS 18.66.990;
- (8) "facility" means the administration, program, and physical plant of a child care facility;
- (9) "licensee" means a person to whom a license has been issued under this chapter;
- (10) "parent" means a birth or adoptive parent or a legal guardian;
- (11) "recreational camp" means a place that provides recreational opportunities to children who attend with the consent of their parent;
- (12) "relative" means an individual who is related to another through any of the following relationships, by blood, adoption, or marriage: parent, grandparent, great grandparent, brother, sister, stepparent, stepsister, stepbrother, cousin, aunt, uncle, great-aunt, great-uncle or step-grandparent;
- (13) "serious offense" has the meaning given in AS 12.62.900.

- II. On the current page 3, line 9, remove "; Child Care Grants". Line 9 will therefore read: "Article 2. Day Care Assistance."
- III. Insert on current page 4, above Sec. 14.38.160, the following:
"Article 3. Child Care Grants."
- IV. On current page 4, line 27 change "AS 47.35" to "AS 14.37".
- V. On current page 5, line 22 change "commissioner" to "State Board of Education".
- VI. On current page 5, line 27, change "AS 47.35" to "AS 14.37".
- VII. On current page 6, line 3, change "AS 47.35" to "AS 14.37".
- VIII. In Section 5 of the current Bill, delete the entire "Child Care Facility Revolving Loan Fund", which is currently found beginning on page 6, line 10, and ending on page 8, line 5.
- IX. In Section 49 of the current Bill, on page 37, line 24, delete "under AS 47.35". The line will thus read: "(4) license and regulate child care facilities."
- X. Insert new Bill sections following the current Section 71 to read:

* Sec. 72. AS 47.35.005(a) is amended to read:

Sec. 47.35.005. Purpose; applicability. (a) The purpose of this chapter is to

establish and maintain standard levels for services offered to children in [CHILD CARE FACILITIES,] foster homes, and residential child care facilities; services offered by child placement agencies; and services offered to pregnant individuals in maternity homes. [THE LEGISLATURE RECOGNIZES THE RESPONSIBILITY OF PARENTS TO SELECT AND MONITOR CAREGIVERS FOR THEIR CHILDREN IN ORDER TO ENSURE A REASONABLY SAFE AND DEVELOPMENTALLY APPROPRIATE CHILD CARE ENVIRONMENT.] The community 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 or services.

* **Sec. 73.** AS 47.35.010(a) is amended to read:

Sec. 47.35.010. Powers of department. (a) The department may

(1) license and supervise foster homes, [CHILD CARE FACILITIES,] residential child care facilities, semi-secure residential child care facilities, secure residential psychiatric treatment centers, child placement agencies, and maternity homes;

(2) investigate applicants, licensees, and persons that the department reasonably believes are operating a facility without a license in violation of this chapter;

(3) adopt regulations to implement the provisions of this chapter, including regulations establishing licensure and renewal procedures, standards, and fees; establishing requirements for operation of facilities or agencies licensed under this chapter; and distinguishing between types of [CHILD CARE] facilities;

(4) enter into agreements with private entities, municipalities, or individuals to investigate and make recommendations to the department for the licensing and supervision of foster homes, [CHILD CARE FACILITIES,] residential child care facilities, semi-secure residential child care facilities, secure residential psychiatric treatment centers, child placement agencies, and maternity homes under procedures and standards of operation

established by the department.

* **Sec. 74.** AS 47.35.017(a) is amended to read:

Sec. 47.35.017. Application for license. (a) Application for a license to operate a foster home, [CHILD CARE FACILITY,] residential child care facility, semi-secure residential child care facility, secure residential psychiatric treatment center, child placement agency, or maternity home shall be made to the department on a form provided by the department and shall be accompanied by any applicable fees established by the department under AS 47.35.010(a)(3).

* **Sec. 75.** AS 47.35.900(10) is amended to read:

(10) "facility" means the administration, program, and physical plant of a foster home, [CHILD CARE FACILITY,] residential child care facility, or maternity home;

XI. Delete current Bill Sections 72 and 73 (page 62, lines 5 through 16).

XII. Amend current Bill Section 76 "REPEALER" by adding:

AS 47.35.010(b), 47.35.015(a), 47.35.043(b), and AS 47.35.900(4) and (5).

4/30/99

#2

NO OBJ

AMENDMENT

OFFERED IN THE HOUSE

TO: CSHB 40(FIN)
Version "K" 4/28/99

Place an effective date of July 1, 2000 on all provisions that implement the movement of the Alaska Human Resource Investment Council from the Office of the Governor to the Department of Labor and Workforce Development.

4-30-99

#3

adopted - N/D

AMENDMENT

OFFERED IN THE HOUSE

TO: CSHB 40(FIN)
Version "K" 4/28/99

Page 33, line 11

After "consisting of"

Delete "six"

Insert "five"

Page 33, line 15

Delete "commissioners"

Insert "commissioner"

Page 33, line 15

After "director, and"

Delete "four"

Insert "three"

4-30-99

#4

N/o adopted

AMENDMENT

OFFERED IN THE HOUSE

TO: CSHB 40(FIN)
Version "K" 4/28/99

Page 61, line 7

After "AS 23.15.210(4)"

Insert "AS 23.15.611; AS 23.15.614"

4-30-99

#5

N/O adopted

AMENDMENT

OFFERED IN THE HOUSE

TO: CSHB 40(FIN)
Version "K" 4/28/99

Page 27, line 10

After "Administration (a)"

Insert "The Governor shall appoint the executive director for the Alaska Human Resource Investment Council."

4-30-99

adopted N/D

AMENDMENT

OFFERED IN THE HOUSE

TO: CSHB 40(FIN)
Version "K" 4/28/99

Page 61, line 7

After "AS 39.25.120(c)(21);"

Insert "AS 42.45.030;"

adopted N/O

7

AMENDMENT

OFFERED IN THE HOUSE

TO: CSHB 40(FIN)
Version "K" 4/28/99

Page 9, line 7 through page 15 line 9

Delete all and replace sections in 23.15

4/30/99
withdrawn

#8

HOUSE BILL 40

AMENDMENT

Representative Austerman

Page 6 Line 10
 Through
Page 8 Line 5

Delete all material

4-30-99

#9

Failed 2-6

HOUSE BILL 40

AMENDMENT

Representative Austerman

Page 4 Line 21
Through
Page 5 Line 23

Delete all material

10

NO adopted

4-30-99

Amendment to HB 40 to add rural duties to Department of Community and Economic Development

DAVIES

HB 40 Work Draft version "K"

Page 37, line 11

Insert:

(2) advise the governor and cabinet on the delivery of government services to rural areas, including services relating to public safety, justice, economic development, natural resource management, education, and public health;

(3) make recommendations to the governor and cabinet about policy changes that would affect rural governments and rural affairs;

Renumber following lines accordingly.

ALASKA ASSOCIATION OF MUNICIPAL CLERKS
Resolution Serial No. 99-02

**A RESOLUTION OF THE ALASKA ASSOCIATION OF MUNICIPAL CLERKS
RECOGNIZING THE VALUABLE ASSISTANCE PROVIDED BY THE ALASKA STATE
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS.**

WHEREAS, the Alaska Association of Municipal Clerks (AAMC) recognizes the valuable assistance provided to the municipalities by the Alaska State Department of Community and Regional Affairs (DCRA); and

WHEREAS, DCRA is a valuable resource tool to all communities, especially those rural communities that have few other resources readily available; and

WHEREAS, DCRA provides newly elected officials and AAMC training in local government procedures and continues to be a valuable resource of knowledge concerning all facets of local government; and

WHEREAS, DCRA has been instrumental in developing the peer support program for helping inexperienced clerks reach their full potential; and

WHEREAS, there has been mention of reducing funding or eliminating DCRA and redistributing staff to the Department of Commerce; and

WHEREAS, it was determined in 1996 that elimination of this important agency would not save the state money and more importantly, would negatively affect services, especially in rural areas,

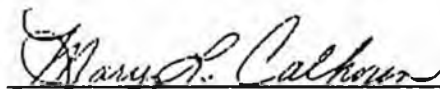
NOW, THEREFORE BE IT RESOLVED, the Alaska Association of Municipal Clerks requests the Legislature consider the importance of DCRA and the dramatic negative impact

reduction of funding or elimination of DCRA would have to services in all municipalities, and especially to our rural communities.

ADOPTED by the Alaska Association of Municipal Clerks this 7th day of February, 1999.


ELIZABETH K. MANFRED, CMC, President

ATTEST:


MARY CALHOUN, CMC/Secretary
AAE



Agency Programs by Department

Labor & Workforce Development	Community & Economic Development	Education & Child Development
<p>(Currently in Dept. of Labor)</p> <p>Wage & hour Mechanical Inspection Unemployment Insurance Occ. Safety & Health Safety Advisory Council Fishermens Fund Workers' Comp Labor Relations Agency Admin Services Employment Services Work Services</p>	<p>(Currently in C&ED)</p> <p>Trade & Development Investments Tourism ATMC AIDEA ASTF ASMI AADC Banking, Securities & Corporations Insurance Occupational Licensing APUC</p>	<p>(Currently in C&RA)</p> <p>Head Start Child Care Pass II, III Day Care Assistance</p> <p>(Currently in H&SS)</p> <p>Child Care Licensing Child Care Pass I</p>
<p>(Currently in H&SS)</p> <p>Work Services (in ATAP-formerly Alaska Works Program)</p>	<p>(Currently in C&RA)</p> <p>Community Development Assistance Community & Economic Development National Forest Receipts Revenue Sharing Municipal Assistance State Assessor Local Boundary Commission Energy Operations PCE Circuit Rider Statewide Service Delivery National Petroleum Reserve Program Statewide Assistance Renters' Equivalency Rebate</p>	
<p>(Currently in DOE)</p> <p>Adult Basic Education School-to-work Vocational Technical Education Alaska Career Information System</p>		
<p>(Currently in Community & Regional Affairs)</p> <p>Job Training Partnership Act State Training & Employment Program</p>		
<p>(Currently in Governor's Office)</p> <p>Human Resource Investment Council</p>		

X

HB 400

Benefits to Moving Child Care & Headstart Programs into the Department of Health and Social Services

The newly established federal Child Care & Development Fund requires states to “serve families through a single, integrated child care system.” By combining the Headstart and Child Care programs into the Department of Health & Social Services (DHSS), HB 400 will provide the Administration the opportunity to gain efficiencies and provide better service to Alaska’s families.

1. Headstart

HB 400 places all child care programs and Head Start into the Department of Health & Social Services. This is consistent with the federal Child Care & Development Fund initiative to have an integrated child care system.

This federal grant initiative program is designed to develop linkages of various child and health care programs to promote comprehensive services to families:

“To remain self-sufficient, many families need other services along with child care. State and local planning should link child care to the following services:

- Health
- Family Support Services
- **Head Start**
- and others

This shows that Head Start is closely linked with health, child care, and other social services. DHSS provides these other services. **By placing Head Start into DHSS, this desired linkage will be more efficient than by leaving Headstart in DCRA.**

2. DHSS Lead Agency for Child Care Programs

According to the State of Alaska’s Child Care and Development Fund Plan (October ‘97 - September ‘99), the Department of Health & Social Services has been designated the lead agency. The two departments have entered a written agreement identifying areas of mutual cooperation regarding providing child care (including Head Start) in Alaska.

Placing the Child Care programs into DHSS will eliminate cumbersome interagency coordination.

3. Overlapping functions of the two departments

- HB 400 provides greater grant fund oversight: According to DCRA's budget documents,

"DCRA and the Department of Health and Social Services wish to streamline funding of the Child Care & Development Fund by better coordinating budgeting for the program. Therefore, grant fund management is transferred to DHSS from DCRA."

This shows that the child care programs are closely linked in both departments and there are efficiencies to be gained.

- According to the Alaska Child Care & Development Fund Plan, DHSS will provide payment to providers for parents who are required to participate in required work activities through the Division of Public Assistance. It also states that DCRA will provide funding to the parents, if the DHSS public assistance case manager makes that decision. **This shows that the two departments are doing the same task.**
- The two departments are jointly developing the Child Care Management Information System. **This also shows that the two departments are doing the same task.**
- DHSS licenses child care facilities to which DCRA provides funding.

Summary: Moving DCRA's Headstart and Child Care programs into the Department of Health & Social Services makes sense, and is consistent with the coordinating actions taken by the two departments. Getting these programs together in one department will better serve Alaska's families.

X

HB 400 Hearing

Sponsor's Rebuttals To DCRA

Following are Representative Kohring's rebuttals to the February 25, 1998 testimony and the February 27 memorandum of the Department of Community & Regional Affairs' deputy commissioner.

I. February 25 Testimony Rebuttal

Item 1: The DCRA deputy commissioner stated that the Department of Commerce and Economic Development programs funded (publicly and) privately owned projects, but that DCRA only funds public entities, not private parties.

Sponsor's Rebuttal:

See Exhibit 1: DCRA's Rural Development Investment Fund (RDIF) shows 34 private entity loan recipients.

DCRA's Rural Development Authority (RDA) Mini-Grants Awards list shows 6 private/public partnership grants.

Item 2: The DCRA deputy commissioner states that DCRA does not participate in rural tourism development.

Sponsor's Rebuttal:

See Exhibit 1: DCRA's Rural Development Investment Fund (RDIF) shows 13 loans for rural tourism related loans, such as charter boats, bed & breakfasts, RV parks, etc.

DCRA's Community Block Grants includes rural tourism grants to communities for salmon bakes and bed & breakfasts.

DCRA's Rural Development Authority grant applications (both funded and not funded) include rural tourism related projects, such as arts & crafts entrepreneurship and marketing, salmon bakes, bed & breakfasts, and eco-tourism guided tour development

DCRA's Rural Development Authority (RDA) Mini-Grants Awards list shows 10 rural tourism grants.

AS 44.47.900(a)(3), the Alaska Regional Economic Assistance Program clearly requires DCRA to be involved in tourism development, as well as regional economic issues and international trade.

Item 3: The DCRA deputy commissioner stated that DCRA funds mostly publicly owned infrastructure projects.

Sponsor's Rebuttal:

Exhibit 1: DCRA's Rural Development Investment Fund (RDIF) shows only 1 of 34 loans to be for infrastructure, and that one loan was for a privately owned RV parks.

DCRA's Rural Development Authority (RDA) Mini-Grants Awards list shows 0 out of 23 grants used for infrastructure.

DCRA's Community Block Grants eligible project listing includes 16 non-infrastructure projects.

Summary: DCRA and DCED both fund/administer a) private and public projects, b) rural tourism projects, and c) infrastructure/community facilities/energy and electrical projects.

Why have two separate departments perform these same tasks?

II. February 27, 1998 DCRA Memorandum Rebuttal

Item 1: Rural Economic & Small Business Development

Stated in the deputy commissioner's memorandum was that DCRA has **limited** involvement in assisting communities develop a community strategy for a) health and safety, b) community infrastructure, and c) jobs/economic development. DCRA assists 3-10 communities in this **limited service**.

Further stated is that DCRA encourages a comprehensive approach to community development, rather than preparing only an economic development stately because **many issues affect the success of economic development efforts**.

Rebuttal Points:

If only a few communities are receiving only limited assistance from DCRA, will rural communities ever become independent? **HB 400 will provide the framework to have greater coordinated assistance for rural communities.**

I agree that a comprehensive approach to economic development is needed. However, it would seem that an effective strategy is needed **especially** because of the many factors that affect development. DCRA should be inherently involved in such strategy, otherwise DCRA never will focus on effective development. **HB 400 will provide that focus that appears to be currently lacking in DCRA.**

Item 2: DCRA states that after a development strategy is determined, they refer community officials to other agencies, including DCED.

Rebuttal Point: If DCRA is not involved with developing the strategy, and only serve as a "middle man" agency, DCRA should be merged into the DCED where such coordination

can be far more effective. This increased effectiveness supports approval of HB 400.

Item 3: DCRA states that their regional development efforts are primarily provided through funding and administrative support of the ARDOR program. DCRA "encourages" the ARDORs to concentrate on development initiatives.

Rebuttal Point: Not surprisingly, funding for the ARDOR program comes from interagency receipts from DCED. Under HB 400, ARDOR will be directly funded through the new Department of Commerce and Rural Development, and DCRA's role as the "middle man" and "cheer leader" agency will cease, as will administrative duplication. This further supports approval of HB 400.

Item 4: DCRA operates the Rural Development Initiative Fund (RDIF) loan program. DCRA states that the RDIF loan program differs from the DCED's Small Business Economic Development Revolving Loan program in that they serve different clientele.

Rebuttal Point: As shown in Exhibit 1, DCED is also involved in the RDIF program. Obviously efficiencies in management can be achieved if the RDIF program if it was operated under one department. Further management streamlining can occur, resulting in additional savings after HB 400 is passed.

Item 5: DCRA agrees that it provides infrastructure scoping, planning, and funding. DCRA states that it also provides rural sanitation business management assistance. However, DCRA states that DCED does not perform these tasks.

Rebuttal Point: Alaska Industrial Development and Export Authority is contained within DCED. AIDEA is an important part of that department as it is an important program for economic development and international/domestic trade. According to the 1997 AIDEA annual report,

Development Finance Program

Through this program AIDEA may own and operate projects that bring economic benefits to the people of Alaska and are shown to be financially feasible. The projects typically provide infrastructure support for resource utilization and development.

In the course of funding these projects, AIDEA is inherently involved in early scoping and planning phases. Also, AIDEA is active in scoping and planning activities, as shown by their participation in the South East Alaska Community Economic Revitalization Team (SEA-CERT). Therefore, DCED is involved in infrastructure scoping, planning, and funding.

The Alaska Public Utilities Commission, within DCED, provides business management and operations technical assistance.

Obviously, both departments participate in these duties. Passage of HB 400 will provide efficiency by combining similar activities in one department.

**Department of Commerce and Economic Development
Offices by Location**

Juneau

State Office Building, 9th floor

Office of the Commissioner

Division of Administrative Services

Division of Banking, Securities and Corporations

Division of Occupational Licensing

Division of Insurance

Division of Tourism

Division of Trade and Development

Vintage Business Park, 3032 Vintage Boulevard

Division of Investments

Department of Labor Building, 1111 West 8th, Suite 100

AK Seafood Marketing Institute

Anchorage

Frontier Building, 7th Floor

Office of the Commissioner

Division of Banking, Securities and Corporations

Division of Occupational Licensing

Division of Trade and Development

AK Tourism Marketing Council

Frontier Building, 13th Floor

Division of Insurance

AIDEA Building, 480 West Tudor (wholly owned and occupied)

AK Industrial Development and Export Authority

Alaska Energy Building, 4800 B Street, Suite 101

AK Aerospace Development Corporation

Alaska Legal Center, 1016 West 6th, Suites 300, 400 and 420

AK Public Utilities Commission

UAA Diplomacy Building, 4500 Diplomacy Drive, Suite 515

AK Science and Technology Foundation

327 Ship Creek Avenue

AK Railroad Corporation—corporate offices

Fairbanks
Fairbanks Regional Office Building
Division of Occupational Licensing-Business Licensing

7501 Old Richardson Highway, Suite 205
Division of Trade and Development-Minerals Office

Tok
Tok Civic Center
Division of Tourism (Tok APLIC and Visitors Center)

Bellevue, Washington
1200 112th Avenue NE, Suite 226
AK Seafood Marketing Institute

HB 400 Hearing

Sponsor's Rebuttals To DCED

Following are Representative Kohring's rebuttals to the February 25, 1998 testimony of the Department of Commerce & Economic Development deputy commissioner.

Item 1, Missions: The deputy commissioner stated that the Department of Commerce and Economic Development (DCED) has a fundamentally different mission than the Department of Community and Regional Affairs (DCRA). The deputy commissioner stated that DCED programs focused on the private sector businesses, and that DCRA focused on public entities.

Sponsor's Rebuttal:

1. DCED provides funding for publicly owned projects. The Governor's proposed fiscal year 99 capital budget includes **\$16.8 million** of AIDEA funds. These include funds for the Departments of Administration, Community & Regional Affairs, Education, Corrections, Environmental Conservation, Transportation & Public Facilities, Revenue, Natural Resources, Military & Veteran's Affairs, Public Safety, Health & Social Services, and the University of Alaska. (These include water and sewer projects, contrary to the deputy commissioner's statement.)

2. The Alaska Public Utilities Commission (APUC) oversees private and public utilities. The APUC is inherently involved in public and private infrastructure development. These include water, sewer, natural gas, refuse, cable television, and telecommunications utilities.

3. In the DCED's FY 1999 Operating Budget Overview document, it states that one of the functions of the Division of Trade and Development is

"...helping communities develop needed infrastructure."

Summary: Both DCED and DCRA participate in planning and funding of public and private projects.

Item 2, Duplication: The DCED deputy commissioner states that there is no duplication with DCRA.

Sponsor's Rebuttal:

There are many overlapping functions of the two departments. These functions include rural tourism, infrastructure, community facilities, energy and electrical projects, and small business development, and the Rural Development Initiative Fund Loan (RDIF) program.

Summary: Both departments perform many overlapping functions.

Item 3, Relocation Costs: The DCED deputy commissioner states that many staff would have to be relocated due to the merger. This would require the need to hire two full

time "space planners." The reason stated for the office space consolidation was that department administration and management needed all staff in one location.

Sponsor's Rebuttal:

1. Presently, DCED and DCRA have staff in **many** locations. Exhibit 3 shows that DCED already houses its staff in several separate locations: 3 in Juneau, 7 in Anchorage, 2 in Fairbanks, 1 in Tok, and 1 in the state of Washington. Also, there are DCED staff located overseas in the Pacific Rim region. Modern telecommunications greatly decrease the need for housing all employees under one roof.
2. Few programs are being transferred to other departments. A total of 52 employees will be transferred to other departments, but 23 are in remote locations and will not be relocated.
 - There are 3 Headstart staff (DCRA) in Juneau that need to be relocated to the Department of Health and Social Services. Otherwise, all DCRA staff in Juneau can stay in the DCRA building, which is located within one block of the DCED headquarters office.
 - JTPA/STEP staff statewide (16) already share space with other departments. The 10 staff in Juneau are already co-located with the Department of Labor. At question are the 3 staff in Anchorage and 3 staff in Fairbanks.
 - Child Care Assistance program staff (10) are all located in Anchorage, in the "Post Office Mall." At question is whether they would need to be relocated to a site where other Department of Health staff are located. This could be accomplished when leases expire and offices can be consolidated.

Summary: The worse case scenario is that 19 staff would be relocated, although it would seem that only the 3 Headstart staff would need to relocate. "Space planners" obviously are not needed, especially two of them. Relocation costs will be minimal, **far below the \$1 million cost savings every year from the merger.** (Using the administration's estimate of \$5,000 per relocation, the cost will range from \$15,000 to \$95,000.)

Item 4, Deputy Commissioners: The DCED deputy commissioner states that the new department would require two deputy commissioners.

Sponsor's Rebuttal:

The new department will have a grand total of 463 employees. This includes 104 employees working in the "independent" entities (46 in APUC, 32 in AIDEA, 19 in ASMI, and 7 in ASTF). Therefore, the new commissioner will directly oversee only 359 employees, still a small department. Even with 463 employees, the new department would be the 4th smallest.

Only 3 other departments have two deputy commissioners. Additionally, there will still be a special assistant in the new department, which is currently in the DCED. This special

assistant, as well as the directors, will be able to assist the commission with duties. There is no need for two deputy commissioners.

Summary: Only one deputy commissioner is needed.

HB 400

Evaluation of New Department Staffing Levels

<u>Department</u>	<u>Number of Staff</u>	<u>Number of Deputy Commissioners</u>
Administration	1,413	1
DCED	348	1
DCRA	180	1
Corrections	1,294	1
Education	618	1
DEC	454	1
F&G	1,353	2
H&SS	1,971	1
Labor	603	1
Law	435	2
Military & Vet.	262	1
DNR	895	1
Public Safety	855	1
Revenue	494	2
DOT & PF	3,015	1

- After the merger, there will be 13 fewer employees and 52 employees moving from DCRA to other departments. Therefore, the total employees in the new department will be 463. It will still be the 4th smallest department.
- Only 3 departments have two deputy commissioners. The new department will still have a special assistant which could be changed to be a second deputy commissioner, if it is deemed warranted.

Benefits of Moving Job Training Programs into DOL

House Bill 400

Merger of Departments of Commerce & Economic Development with Community & Regional Affairs

HB 400 proposes to merge two existing departments that have overlapping economic development functions. Upper administration is proposed to be cut. This will save approximately \$1 million every year in upper management salaries and expenses. HB 400 proposes no reductions in providing job training and child care assistance, nor any other programs. This bill reduces unneeded bureaucracy while leaving programs intact.

Currently, job training programs such as JTPA, STEP and the Business Incentive Program are located within the Department of Community and Regional Affairs (DCRA). The One-Stop program is also within DCRA. Job training programs are within the Division of Community and Rural Development, a division which also oversees Head Start and Child Care programs. HB 400 will transfer the Head Start and Child Care (day care assistance) to the Department of Health & Social Services. The Job Training programs will transfer to the Department of Labor.

- DCRA currently has many varying programs from local government operations technical assistance to energy and sanitation facilities development to economic diversification projects. Having the additional burden of job training and child care assistance programs stretches this small department in many directions; hence, rural development has been slow. With a focus on economic development in the proposed merged department, job opportunities will increase in rural and urban areas.
- The Legislature is working with every department in state government to focus on the legislative intent for each department's mission and to define each department's goals to achieve the core mission. This is the first step in realigning government functions to eliminate duplication. The goal is to provide the core mission programs at the lowest cost. The transfer of the JTPA, STEP, BIP and One Stop programs from DCRA to the DOL are consistent with the statutory intent and purpose of the departments.

According to statute, the Department of Labor's mission is:

AS 23.05.010, Purpose. The Department of Labor (DOL) shall foster and promote the welfare of the wage earners of the state, improve their working conditions and **advance their opportunities for profitable employment.**

Whereas, according to statute, DCRA's mission is:

AS 44.47.050 Purpose of department: The purpose of the department (DCRA) is to render maximum state assistance to government at the community and regional level.

- Currently, DCRA refers JTPA and STEP program trainees to employment services and to DOL. DCRA provides funding to DOL for this service.
- Both DOL and DCRA withhold job training funds to cover administration costs. Included in those costs are redundant bureaucracy costs. If the "middle man" agency is removed, more funds would be going to training Alaskans.

PAUL FUHS

P.O. Box 20664
Juneau, Alaska 99802
(907) 790-3030
fuhs@ptialaska.net

March 17, 1999

Representative Vic Kohring
Alaska State Legislature

Dear Representative Kohring,

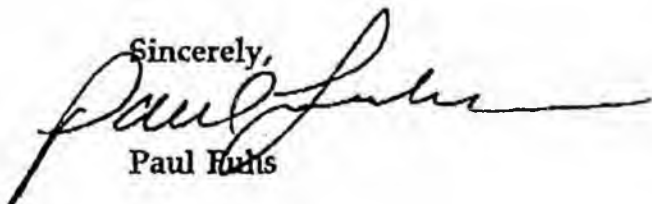
You have asked me to comment on your bill HB 40 as former Commissioner of Commerce and Economic Development. My comments will also relate to my recent experiences as an economic development consultant in rural and urban Alaska.

From my experience, I can tell you that there would be many advantages to combining the state's economic development programs. I don't know how much money you would save doing this, but you would certainly have a much more effective program. While I was in the Hickel administration, I heard many people, especially in rural Alaska, complain about being bounced back and forth between the various agencies and it confusing and frustrating for them. Given the fact that Alaska's economic development and international trade programs have been reduced to their bare minimums due to the need for budget cuts, it is even more imperative that they be coordinated for maximum advantage for Alaska's people.

I would urge you to contact and work with the Alaska Municipal League on issues they may have with HB40 concerning municipal programs in DCRA. I also understand that discussions are underway concerning the possibility of consolidating regulatory functions of Labor with Commerce also. I am not supporting one concept over the other, but I wish you well in finding funding and program efficiencies within the departments.

These comments are mine alone and do not reflect the position of any of my clients.

Sincerely,



Paul Fuhs

ALASKA STATE LEGISLATURE



Interim:
600 East Railroad Avenue
Wasilla, Alaska 99654
(907) 373-1842
Fax -(907) 373-4729

Session:
State Capitol Building, Room 421
Juneau, Alaska 99801-1100
(907) 465-2137
Fax - (907) 465-8818

REPRESENTATIVE VIC KOHRING
DISTRICT 26

Date: March 15, 1999

To: House Community & Regional Affairs Committee

Re: House Bill 40; Proposed Department of Commerce & Rural Development


Committee Members:

Please accept the enclosed documents as evidence for the March 18, 1999 hearing on House Bill 40.

House Bill 40 is virtually identical to House Bill 400, heard last year in the Labor & Commerce and Finance Committees. These documents are the evidence that these committees used in passing the bill out of committee. Therefore, these documents are relevant to House Bill 40.

I am eager to present the bill to the committee later this week.

Sincerely,


Vic Kohring
State Representative

ALASKA STATE LEGISLATURE



Interim:
600 East Railroad Avenue
Wasilla, Alaska 99654
(907) 575-1842
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REPRESENTATIVE VIC KOHRING
DISTRICT 26

Sponsor Statement for HB 40

Focusing on economic development while reducing the budget will result when two departments are merged into a new Department of Commerce and Rural Development. The proposed structure will ensure local government assistance continues, infrastructure planning is enhanced, and the State's economic development strategy and project funding is centralized.

The missions of the departments of Commerce and Economic Development and Community and Regional Affairs are similar, to promote economic development of Alaskan communities. Two separate management structures and goals result in a scattered development strategy. Having a unified development vision and funding resources under one department will better serve rural communities and Alaska as a whole.

Currently, the departments of Commerce and Economic Development and Community and Regional Affairs both have economic development programs; along with job training and child care programs. These non-development, non-commerce related programs will be moved to the departments of Labor and Health & Social Services, respectively. Under the new departments, these important programs can be integrated with existing programs in those departments while providing better service to Alaskans. This reorganization frees the new Department of Commerce and Rural Development to focus on economic development activities.

Alaska's fiscal crisis necessitates reengineering government. This merger will eliminate one commissioner's office but does not eliminate services. While creating budget savings, program delivery and economic development will be enhanced and streamlined in the new Department of Commerce and Rural Development.

House Bill 40

DCRA/DCED merger

Cost Savings

Commissioner Office Consolidation

Commissioner	110
Deputy Commissioner	110
Special Assistant	70
Executive Secretary	50
Administrative Clerk	<u>35</u>

Subtotal: 375

Administrative Services

Division Director	110
Administrative Manager	75
Internal Auditor	75
Program Budget Analyst	65
Administrative Assistant	45
Grant Administrator	<u>45</u>

Subtotal: 415

Division of Community & Regional Development

Director	105
----------	-----

Miscellaneous:

Travel	35
Contractual	30
Supplies	<u>10</u>

Subtotal: 75

TOTAL SAVINGS \$970,000

House Bill 40

DCRA/DCED Merger

List of Hearing Packet Documents

1. Sponsor Statement
2. Sectional Analysis
3. HB 40 Cost Savings
4. Organization chart for new Department of Commerce & Rural Development
5. Benefits to Rural Alaska
6. HB 400 Fiscal Note
7. Overlapping missions of DCED & DCRA
8. Overlapping Economic Development related activities of DCED & DCRA
9. Rebuttal to DCED hearing presentations
10. List of office locations in DCED
11. Rebuttal to DCRA hearing presentations
12. Benefits to moving Child Care and Headstart Programs into Department of Health & Social Services
13. Benefits of moving Job Training Programs into Department of Labor
14. Evaluation of staff levels in new department
15. Boards & Commissions for new department
16. Letters of support (8)
17. Letter of support from former DCRA deputy commissioner

HB 40

Benefits to Rural Alaska

Effective economic development in rural Alaska is the goal of HB 40. Merging the two departments that provide economic development programs will benefit rural Alaska.

◆ Focus on Economic Development and Commerce

Programs unrelated to economic development and commerce activities will be transferred to other departments. The new department will be able to focus on economic development and commerce in rural areas and be more effective.

◆ Scoping and Planning

This merger unifies community scoping and planning assistance into one department. Expert staff in both departments will be joined under one management structure. With effective scoping and planning, successful economic development projects can be identified and matched with the community's resources and talents. Common sense says planning will be far more effective under one department.

◆ Infrastructure Construction

Once the community has identified development projects through scoping, infrastructure can be planned and constructed. The new department will assist the community in obtaining financing for the construction phase.

◆ Centralized Financial Assistance

Applying for funds can be a difficult and daunting task for small rural communities. The traditional approach of obtaining financing from public agencies has been the "shotgun" approach. This merger would centralize expert staff who knows details of funding programs and possibilities. One primary goal is to create a "one-stop financial assistance" for funding projects.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

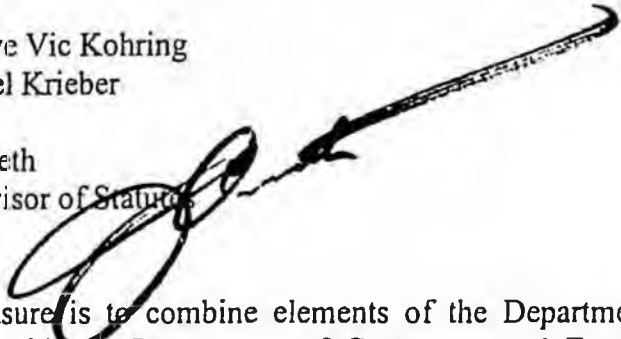
MEMORANDUM

March 15, 1999

SUBJECT: House Bill 40: Sectional analysis (revised)

TO: Representative Vic Kohring
Attn: Michael Krieber

FROM: Jack Chenoweth
Assistant Revisor of Statute



The principal purpose of this measure is to combine elements of the Department of Community and Regional Affairs with the Department of Commerce and Economic Development; the single successor agency, replacing the two combined departments, would be known as the "Department of Commerce and Rural Development." Other parts of each of the two departments are transferred to other agencies or eliminated. The bill also makes a series of conforming changes to reflect the transfers of duties and elimination of the two departments.

This memo revises, in a reference set out in bill section 70 only, the information set out in my January 27 sectional analysis.

A principal operative provision of the measure in **bill section 102** repeals "AS 44.17.005(17)," thereby eliminating the "Department of Community and Regional Affairs" as one of the principal offices and departments of the executive branch of state government. In the memo, this is referred to as the "former department."

1. The amendments made in the following bill sections replace existing references to "Community and Regional Affairs" with reference to the renamed successor department:

Bill sections 1 and 2: References relating to the former department set out in sections applicable to the licensing of electrical and mechanical administrators (AS 08.40);

Bill sections 5 and 6: References relating to the duties of the former department in the chapter relating to administration of schools in the unorganized borough under regional educational attendance areas (REAA), AS 14.08;

Bill sections 7 - 11: References relating to the duties of the former department in the chapter relating to administration of the program of state aid to public schools (formerly the public school foundation program), AS 14.17;

March 15, 1999
(revising January 27, 1999 memo)
Page 2

Bill sections 12 and 13: References relating to the duties of the former department that are set out in the State Election Code (AS 15) relating to voter registration, AS 15.07, and election campaign financing (AS 15.13);

Bill section 14: A reference to the commissioner of the former department in the section describing the membership of the board of directors of the Alaska Medical Facility Authority (AS 18.26);

Bill sections 15 and 16: References relating to the duties of the former department and its commissioner that are set out in the chapter relating to the Alaska Housing Finance Corporation (AHFC) relating to the composition of the board of directors of the corporation (AS 18.56.030(a)) and the development of program standards applicable to land offered as collateral for certain loans of the corporation (AS 18.56.097);

Bill sections 18 - 20: Cross-references to the former department bearing upon management of the local services roads and trails program by the Department of Transportation and Public Facilities (AS 19.30);

Bill section 24: A reference to the former department in the subsection assigning responsibility for the preparation of municipal fiscal notes in conjunction with legislative consideration of bills and resolutions (AS 24.08.035(e));

Bill section 25: A reference to the former department in the subsection defining the membership of the Alaska State Emergency Response Commission (AS 26.23.071);

Bill section 26: A reference to the former department in the subsection guaranteeing state assistance to local government in the development of municipal ordinances that relate to the Alaska Uniform Vehicle Code (AS 28), (AS 28.01.010(b));

Bill sections 28, 29, 31 - 34, and 36 - 38: Various references relating to the former department and its commissioner under the state's Municipal Code (AS 29);

Bill section 39: Reference to the former department under the chapter authorizing establishment of regional resource development (AS 30.13);

Bill section 42: Reference to the former department under the section prescribing the manner of making grants appropriated or allocated for unincorporated communities (AS 37.05.317);

Bill section 43: Reference to the former department under the section prescribing the authority to adopt regulations applicable to municipalities affected by activities in the National Petroleum Reserve - Alaska (AS 37.05.530);

Bill sections 44 - 48: References to the former department in the chapter establishing the capital project matching grant programs (AS 37.06);

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Page 3

Bill sections 51 - 54: References to the former department in the chapter prescribing protection of state forest lands (AS 41.15);

Bill sections 55 - 57: References to the former department in the chapter establishing the state power assistance program and other rural and statewide energy projects (AS 42.45);

Bill sections 58 - 60: References to the former department in chapters in AS 43 authorizing the transfer to and payment by that department of surplus fisheries taxes (AS 43.75) and surplus fishery resource landing taxes (AS 43.77) to municipalities;

Bill section 61: Reference to the former department in a provision outlining the duties of the Office of Management and Budget in the Office of the Governor (AS 44.19.145);

Bill sections 62 and 63: References to the former department in sections bearing on the establishment of the Alaska Coastal Policy Council; the amendments delete references to the former department, rename references to the successor department, and make related changes in references and cross-references (AS 44.19.155);

Bill sections 64 - 66: References to the former department in sections bearing on the establishment and work of the Alaska Human Resources Investment Council; the amendments delete references to the former department and rename references to the successor department, and make related changes in references and cross-references (AS 44.19.155);

Bill section 68: Reference to the former department in a section defining the composition of the Alaska Commission on Aging (AS 44.21.200);

Bill sections 79 and 80: References to the former department in sections establishing the Alaska Municipal Bond Bank Authority and outlining the Authority's duties (AS 44.85);

Bill sections 81, 82, and 84: Various references to the former department in sections in the title (AS 46) relating to environmental matters that offer definitions of the term "village" for purposes of program management; in the first two of three bill sections, cross-references to sections are also corrected;

Bill section 83: References to the former department in a section of the chapter setting out the Oil and Hazardous Substance Release Prevention and Response Fund (more commonly called the "470 Fund") under which response grants may be awarded to make "impact assessments" (AS 46.08.040);

Bill sections 85 - 94: References to the former department in sections in the chapter outlining provisions of the state Coastal Management Program (AS 46.40);

Bill section 96: Reference to the former department in the section prescribing development of a comprehensive statewide plan applicable to adolescent pregnancy and parenting (AS 47.18.010); and

Bill section 99: Reference to the former department in the section prescribing development and submission of an interdepartmental budget for services to disabled and gifted persons (AS 47.80.090).

2. The amendments made in the following bill section revise the name of the principal executive officer of the newly-designated department:

Bill section 72 designates the "Commissioner of Commerce and Rural Development" as the head of the department. In addition to the change, the bill section gives the commissioner general authority to designate another person to serve in the commissioner's stead on any board or commission on which the commissioner must serve.

3. The amendments made in the following bill sections eliminate existing specific duties that are now assigned to the Department of Community and Regional Affairs (under AS 44.47) and re-establish those duties under AS 44.33 in the newly-designated Department of Commerce and Rural Development:

Bill section 73: The material in the bill section prescribes the general organization of the newly-designated successor department;

Bill sections 74 - 78: The material in these bill sections add to the duties of the existing department many, but not all, of the responsibilities of the former department; the bulk of the responsibilities relating to advice and assistance to local government and to the unorganized borough are set out in the material added by bill sections 75 - 78;

Bill sections 4, 27, 30, 40 - 41, 50, and 95: The bill sections contains material substituting statutory cross-references necessitated by the transfer of responsibilities as outlined in bill sections 74 - 78; and

Bill section 102 repeals AS 44.47 (programs of the Department of Community and Regional Affairs), the chapter under which most of these program provisions are currently codified.

4. The amendments and additions made in the following bill sections reflect the transfer of existing programs of the merging departments to other state agencies:

Bill section 21: The bill section adds a provision generally authorizing the commissioner of labor to establish and collect fees for publications and services of the Department of Labor. The provision substitutes for a like provision in AS 44.47.055, repealed.

Bill section 22: The provision establishes the "Business Incentive Training Program", a supplement to the Job Training Partnership Act, in AS 23. By AS 23.05.410(a), the program is to be overseen by the Alaska Human Resources Investment Council (AS 44.19.620). These provisions substitute for the provisions of AS 44.47.750 - 44.47.772, repealed.

Bill section 67: The provision establishes the "Office of International Trade" in the office of the governor, relocating it from the existing Department of Commerce and Economic Development. The existing statutory authority (AS 44.33.800) for the office's existence in that department is repealed.

Bill section 69: The provision formally assigns responsibility for administration of the head start program to the Department of Health and Social Services. This is a new provision with no direct predecessor.

Bill section 70: The material in the bill section

- assuming a change on page 39, line 2 and 3, to so state, transfers responsibility for administration of the day care assistance program from the Department of Community and Regional Affairs to the Department of Health and Social Services, replacing material in AS 44.47.250 - 44.47.310, repealed; and
- transfers administration of the child care facility revolving loan fund from the Department of Commerce and Economic Development to the Department of Health and Social Services, replacing material in AS 44.33.240 - 44.33.275, repealed.

Bill section 71: The provision transfers to the Department of Labor from the Department of Community and Regional Affairs responsibility for the federally funded employment and training programs under the federal Job Training Partnership Act. The section replaces assignment of management of that program under AS 44.19.626(f)(1) (amended elsewhere by bill section 65).

Bill sections 100 and 101: The amendments have the effect of transferring the displaced homemaker program from the Department of Community and Regional Affairs to the Department of Labor.

5. Other substantive changes:

Bill section 3: This section is both a transitional provision and one that makes a technical change. It inserts language that maintains the authority of the division of banking, securities, and corporations to charge fees for services and modifies the conditions under which fees charged for services by the division may be increased to take account of the change in the name of the department of which the division is a part.

Bill section 17: The bill section drops the reference to the Department of Community and Regional Affairs and inserts the name of the newly-designated department as related to

agencies that are to receive lists of approved fire protection systems annually prepared by the Department of Public Safety.

Bill section 23: The bill section drops the reference to the Department of Community and Regional Affairs and inserts the name of the newly-designated department as related to agencies that must be solicited for comments and suggestions as to projects that may be part of the state training and employment programs.

Bill section 35: This section, part of the municipal grant land entitlement provision, necessitates retention of reference to the commissioner of community and regional affairs based on a past act made by that official in 1978-79. The word "former" is inserted together with the full name of the department official.

Bill section 49: The bill section substitutes reference to the commissioner of revenue for the commissioner of community and regional affairs and inserts the name of the newly-designated department in the provision defining the membership of the Royalty Oil and Gas Development Advisory Board (AS 38.06).

Bill section 97: The bill section drops reference to the Department of Community and Regional Affairs and inserts the name of the newly-designated department as related to development of job training and education cooperative agreements.

Bill section 98: The bill section drops reference to the Department of Community and Regional Affairs as related to references to child care assistance under the Alaska temporary assistance program (ATAP).

6. *Uncodified transitional and implementing provisions:*

Bill section 102 repeals substantive program provisions of the Department of Community and Regional Affairs.

Bill section 103 repeals the provision transferring the Alaska regional economic assistance program (AS 44.33.895), added by bill section 78. The repeal of the section is effective July 1, 2000. This carries forward an existing provision that repeals AS 44.47.900 on July 1, 2000.

General "Transition" provisions are set out in **bill section 104** to ensure continuation of the obligations, rights, and remedies that are in effect on the date of the measure's taking effect.

A specific "Transition" provision set out in **bill section 105** changes the status of the Division of Tourism within the successor department.

Matters involving the changes not specifically dealt with in the measure are addressed in a general "Revisor's Instruction" provision appearing as **bill section 106**. By its terms, the

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Page 7

instruction in this bill section addresses changes that are to be made in the Alaska Statutes by the revisor of statutes and in the Alaska Administrative Code (regulations code) by the regulations attorney in the Department of Law.

Bill section 107 gives the measure a July 1, 1999, effective date.

JBC:jdr
99-122.jdr

x
Tanana Power Company, Inc.

P O BOX 873509

WASILLA, ALASKA 99687

TELEPHONE 907-373-5599

OR (907) 366-7101

April 2, 1998

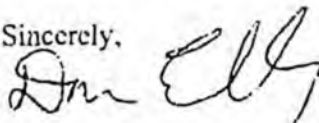
Representative Vic Kohring
State Capitol Building, Room 421
Juneau, Alaska 99801-1182

Representative Kohring:

Having operated a rural electrical utility for over 35 years and lived in rural Alaska for over 15 years, the need for a comprehensive approach to rural development has become very apparent. I support HB 400 because it promotes a unified and comprehensive system for rural development. The additional saving that would result from HB 400 is icing on the cake.

Thank you for time and effort.

Sincerely,



Don Eller

Dear Carolyn:

I appreciate your message regarding your proposal to merge DCRA into other departments. I have House Bill 40 which merges DCRA into Commerce & Economic Development. The first hearing is on March 18th in the Community & Regional Affairs Committee. If you're able to help with this legislation, I would welcome it. Thanks.

With best regards,

Rep. Vic Kohring
(800) 468-2186

Carolyn Tuovinen wrote:

Rep. Kohring:

I sent this to REp. Barnes & Senator Kelly a few weeks ago. I understand you have a bill regarding this issue. I support eliminating DCRA and moving functions to other departments as indicated below.
Carolyn Tuovinen

Rep. Barnes & Senator Kelly:

>

> There is much talk about the state budget and the need to have an
> efficiently run state government. I believe that some expenses could

> be eliminated by consolidating the functions currently within the
> Department of Community and Regional Affairs with functions in other
> departments such as Health and Social Services and Commerce & Economic

> Development. The Department of Community and Regional Affairs could
be

> eliminated and programs currently in that department moved to the
other

> departments. This would save administrative costs.

>

> DCRA is a very small department with far too many political appointees

> in it. This makes for very poor management. The programs within
DCRA

> (such as JTPA) are complex. There is a need for consistent ongoing
> management of the program. They should not be operated at the whim
of

> whatever party is in office from year to year. Additionally, there
are

> the same administrative costs for a small department as for a larger

> one.

>

> I would also like to see far fewer political appointees in all
> departments. They do not contribute to good government.
>
> While on the subject of budgets, I should add that I do not object to
a
> State Income Tax. This is a time honored way for governments to
provide
> services to the people which people cannot provide for themselves.
>
> Thank you for your consideration.
> Your constituent,
>
> Carolyn Tuovinen
> 5043 Mills Drive
> Anchorage, AK 995084738
> tuovinen@alaska.net

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

March 5, 1998

Dear Representative Kohring,

HB 400 represents a wonderful opportunity for the legislature to make a statement that good cost efficient government is important to the people of Alaska. In these days of diminishing oil revenues the legislature has two clear options 1) protect big , inefficient government and cut funding for programs that impact citizens to pay for this bureaucracy or 2) reduce upper level bureaucracy and rearrange government so that it more efficiently delivers services and programs which will, in this case, result in saving one million dollars worth of programs from the budget knife.

It sounds like a simple choice cut bureaucracy or cut programs. The Department of Commerce and DCRA are ideal candidates for a merger. In the Days of excess revenues this was a luxury the State chose.

No longer can any state funded activity stand on its own merit of whether or not it is a nice idea. Today, with budget shortfalls, legislators must make tough comparative decisions. How does protecting an entrenched bureaucracy compare to cutting funding for the actual programs that department is suppose to deliver.

When any legislative effort suggests reducing funding there is always opposition from those effected. In this case the upper level bureaucracy may make an pleas to protect their empire. Let 'em squeal. The sky is not falling. Your duty as a legislator is to compare those arguments with the benefits the state could accomplish with the dollar savings.

Good government is not glamorous. The viewpoint of "if it is not broke don't fix it" ignores the benefits of efficient , effective government. Not only does HB 400 deliver better services but allows programs the financial freedom not to be cut. In some small way this bill allows the legislature to restore credibility in state government.


Robert Hall

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

March 5, 1998

Dear Rep. Kohring:

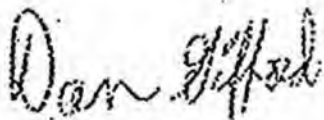
I wish to state my full support for House Bill 400, which merges the Departments of Community & Regional Affairs and Commerce & Economic Development. The concept of this legislation to essentially restructure government is something that is long overdue.

As the Legislature continues to reduce spending, it's important that you look at ways to achieve efficiencies in the delivery of services to the public. No longer should you simply cut across the board but rather you should prioritize spending and focus our resources on the essentials. Your legislation helps us to do just that, because it cuts out wasteful bureaucracy instead of programs. It also is geared toward infrastructure development-the foundation of a strong economy which is a more appropriate expenditure of state funds instead of expensive Salaries for government employees.

Most important in my mind however, is the fact that FIB 400 saves the taxpayers, like me, dollars. The estimated one million dollars a year in savings by cutting out high paid upper management positions is precisely what we need to be doing. As a small businessman, I expect my elected officials to be careful with how they spend the public's money.

Thanks for filing this important legislation.

Sincerely,



Dan Gifford
P.O. Box 874803
Wasilla, Alaska 99687
907-373-5606

Representative Vic Kohring
Stater Capitol Building
Juneau, Alaska 99801

March 2, 1998

Dear Vic,

It came as no surprise to me when I read about your "Merger Bill", HB 400. I was delighted to read that you are still attempting to bring some fiscal sanity to the Rapacious Ones of Juneau.

As I understand the bill, it would deliver the same services while deleting entire sections of upper management and their entourage, the secretaries, offices and other amenities of upper management.

I think this is a wonderful, even inspired approach. If two large departments have sections that do like functions, it makes good sense to merge them under one management. If you place Headstart under HSS, that will eliminate the potential complaint that one commissioner could not handle *all* of the efforts of both departments.

My only problem is that it seems to give the impression that the efforts of these two department are wholesome and necessary to the people of Alaska. I doubt it. If one were to carefully go through the functions of each subsection with the notion that government is to be a limited force, designed to educate and protect the citizenry, then most, if not all could be abolished.

I hope some day a majority in the Legislature will realize this and let us be free to live our own lives.

Aloha Nui Loa,


Fred James

POB 499

Palmer, AK 99645

March 5, 1998

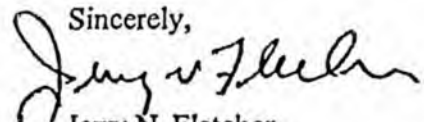
Representative Vic Khoring
Alaska State Legislature
State Capitol Building RM. #421
Juneau, AK 99801

Re: Bill HB 400

Dear Mr. Khoring,

We are in total support of overlapping the functions of the DCED and the DCRA. I support Bill HB 400 in order to help bring government spending under control.

Sincerely,



Jerry N. Fletcher

March 5, 1998

Representative Vic Khoring
Alaska State Legislature
State Capitol Building RM. #421
Juneau, AK 99801

Re: Bill HB 400

Dear Mr. Khoring,

We are in total support of overlapping the functions of the DCED and the DCRA. I support Bill HB 400 in order to help bring government spending under control.

Sincerely,

A handwritten signature in cursive script that reads "Sherri R. Mulhoney". The signature is written in black ink and is positioned above the printed name.

Sherri R. Mulhoney

Letters to the Editor
Anchorage Daily News
1001 Northway Drive
Anchorage, Alaska 99508
FAX (907)258-2157

February 23, 1998

Dear Editor;

I noted with interest the other day in the Anchorage Daily News that our Valley Rep. Vic Kohring is at it again. His latest bill, House Bill 400, will consolidate two fat state government departments, get rid of their upper management heirarchies and deliver the same services and deliver the same services for far less cost. This should be music to all of our ears.

But not to Democrat parasites who need to control Alaskans lives with taxes and new "programs." Already, the governor's man, Bob King, was quoted as saying that Mr. Kohring's bill is not needed, because "if it ain't broke, don't fix it." But of course it's "broke." If you are in private business and are spending \$100 to do something that you could do for \$10, it is efficient to note the difference and to make the necessary changes. If you are the average government man, apparently you do not care, because (to you) the taxpayers (i.e. the peasants) will always be *forced* to pay for it. Thank God, Mr. Kohring is not the "average government man."

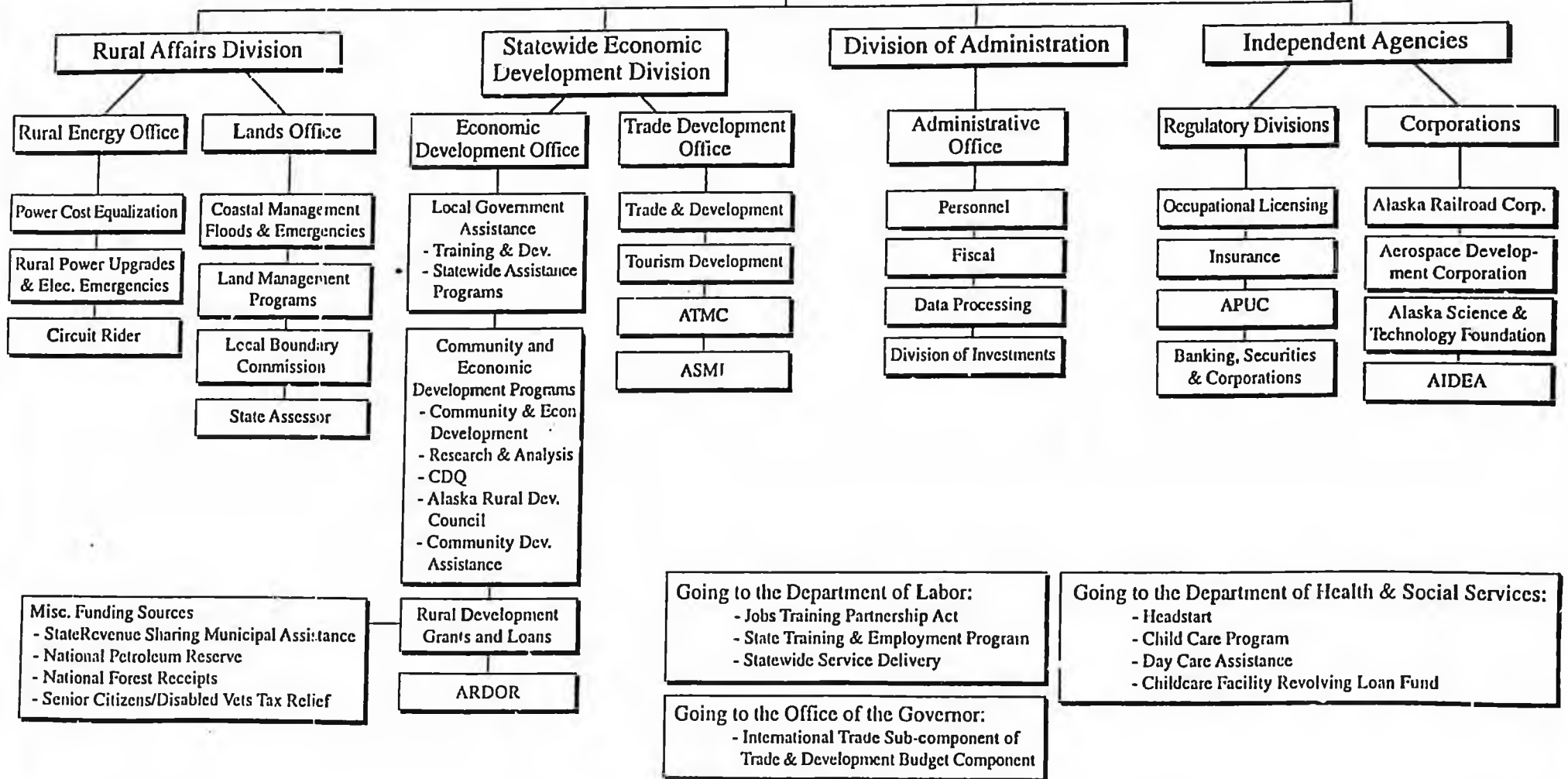
Mr. Kohring is right on the mark with this bill. If I lived in his district I'd have voted for him many times by now. He has campaigned and *voted* to get government off our backs; something a bunch of our socialist politicians forgot last Spring when they voted to extort \$1.00 a pack from our smokers. I was appalled... and I do not smoke! Did we not predict smugglers? And did I not read the other day in the ADN that a company in Wasilla is being attacked by the State for selling cigarettes and not paying the tax? Ha!, those are the tips of (fast growing) new icebergs. And the socialists are always glad to use such results as stalking horses for ever further meddling (and spending.. and hiring.. staffing..). Who do they think they are hood-winking? Idiots!

Thanks Rep. Kohring, and keep 'em coming. I think that you will make a *fine* Governor in another two or three years.

Regards,

Jim Van Doren
Palmer, Alaska
(907)745-7427 Ph. and FAX

DEPARTMENT OF COMMERCE AND RURAL DEVELOPMENT



Misc. Funding Sources
 - State Revenue Sharing Municipal Assistance
 - National Petroleum Reserve
 - National Forest Receipts
 - Senior Citizens/Disabled Vets Tax Relief

Going to the Department of Labor:
 - Jobs Training Partnership Act
 - State Training & Employment Program
 - Statewide Service Delivery

Going to the Office of the Governor:
 - International Trade Sub-component of Trade & Development Budget Component

Going to the Department of Health & Social Services:
 - Headstart
 - Child Care Program
 - Day Care Assistance
 - Childcare Facility Revolving Loan Fund

HB 400

Mapping Economic Development Related Activities of DCED and DCRA

Departments of Commerce & Economic Development and Community
Affairs both promote economic development. Overlapping
include:

<u>ACTIVITY</u>	<u>DCRA</u>	<u>DCED</u>
Economic/ Development	<ul style="list-style-type: none"> Rural Development Initiative Fund (RDIF) Alaska Regional Development Organizations (ARDOR) Alaska Rural Development Council (ARDC) 	<ul style="list-style-type: none"> Rural Development Initiative Fund (RDIF) Business Assistance Program Western Alaska Economic Development (coordinates with ARDOR) Small Business Program Evaluation Task Force Small Business Economic Development (SBED)
Tourism	<ul style="list-style-type: none"> Rural Development Initiative Fund Community Block Grants Rural Development Authority Loans and Mini-Grants Alaska Regional Economic Assistance Program 	<ul style="list-style-type: none"> Rural Tourism Infrastructure Bristol Bay/Kuskokwim Area Tourism
Investment & Infrastructure Projects: Funding/ Maintenance/Operations	<ul style="list-style-type: none"> Capital Matching Grant/Loan Program Rural Utilities Business Advisory (RUBA) Bulk Fuel Revolving Loan Fund Bulk Fuel System Evaluation & Upgrades 	<ul style="list-style-type: none"> Alaska Industrial Development & Export Authority Alaska Public Utilities Commission Alaska Energy Authority

ACTIVITY

- Energy/Electrical Development & Funding

- Utility Assistance

- Assistance to Economically Distressed Regions

- Fisheries

DCRA

Rural Electric & Power Project Loans
Rural Energy Program
Power Cost Equalization
Rebuild America
Bioenergy
Rural Bulk Fuel Tank Program
USDOE Wind Projects
Power Project Loan Fund
Rural Electrification
Revolving Loan Fund

Rural Utilities Business Advisory (RUBA)
Circuit Rider Program
Electrical Emergencies Program
Local Government Assistance Program

Exxon Valdez Oil Spill Unincorporated Rural Community Grant
South East Alaska Community Economic Revitalization Team

Community Development Quota
Shared Fisheries Business Tax Program
Various Economic Development Programs Listed Above

DCED

Alaska Industrial Development & Export Authority
Alaska Energy Authority
Power Cost Equalization
Alaska Science & Technology Foundation

Alaska Public Utilities Commission

AS 44.33 Article 4, Areas Impacted By Economic Disaster

Community Development Quota
Alaska Seafood Marketing Institute
Various Economic Development Programs Listed Above

DCRA
RDIF LOANS SUMMARY

LOAN No.	BUSINESS NAME/BORROWER	PURPOSE OF LOAN	COMMUNITY	LOAN AMOUNT
93-001	Central Peninsula Lumber	Equipment for family sawmill start up	Ninitchik	\$ 15,750
93-002	The Babbling Book	Start up bookstore	Haines	2,000
93-003	Bunnell Street Gallery	Expand/remodel art gallery	Homer	20,000
93-004	Copper Oar Rafting	Start up rafting operation	McCarthy	7,500
93-008	Sugar n' Spice Gift Store	Start up gift shop	Valdez	17,463
93-007	Royal Charters	Start up tourist/charter boat operation	Hoonah	7,500
93-008	Koskovich Jewelry	Expand jewelry design & manufacturing operation	Homer	40,000
93-009	J & B Logging	Expand logging operation	Bethel	7,200
94-001	A Q Electronics	Working capital (Equip & Inventory) for electronics store	Nome	9,884
94-003	City Cab Co.	Purchase/upgrade taxi cab company	Petersburg	16,630
94-005	Toonz Records	Expand record/CD store	Soldotna	27,000
94-008	River Adventures	Expand jet boat tour operation	Haines	48,362
94-007	Health Sea, Inc.	Expand added-value salmon processing operation	Kako	60,000
94-008	Kozy Kuspuks	Sewing machines for Kuspuk & parka maker	Dillingham	16,000
94-009	Tenass Pass Shellfish Co.	Expand capacity of oyster aquaculture operation	Naukatli	45,000
94-010	Siding 21	Start up restaurant	Skagway	18,750
94-011	The Sports Page	Expand athletic supply/sporting goods store	Glennallen	8,000
94-012	Tailor Made Pizza	Working capital/equipment, pizza parlor & scenic tour service	McCarthy	5,800
94-013	Hart D Ranch	Infrastructure (water, sewer, electricity) for new RV park	Slana	94,000
94-014	Raven Dance Espresso	Bldg, equip & working capital for espresso & health food store	Chitna	33,000
94-016	Kodlak Sports & Tour	Hunting & fishing charters, hiking & mountain bike tours	Port Lions	19,250
95-001	Chinik Eskimo Community Store	Start up village store	Golovin	17,002
95-002	Sam & Lee's Restaurant	Rebuild restaurant	Barrow	50,000
95-003	Circle A Enterprises	Purchase upgrade laundromat	Bethel	24,000
95-004	Sweelair Construction	Equipment for construction company	Galena	50,000
95-005	G & N Shuttle	Shuttle bus service	Old Harbor	18,800
95-006	Larsen Bay Mercantile	Working capital/inventory for village store	Larsen Bay	42,500
95-007	Settlers Cove Market	Working capital/inventory for community store	Port Lions	42,400
95-008	Krog's Camp	Start up/renovate bed & breakfast	Soldotna	60,000
95-009	Peterson's Hunting & Fishing	Expand hunting & fishing guide operation	Old Harbor	28,764
98-001	David McFadden, Shipwright	Upgrade shipwright's shop	Petersburg	84,000
97-002	Kenneth Hughes, dba Grantley Harbor	Working capital to purchase store inventory	Teller	20,000
97-003	Royal T. Hill Sr. dba Royal Charters	Purchase and outfit larger boat	Hoonah	45,000
98-001	Bill and Nancy Turner dba Bluff Park	Indoor horse arena (Loan awaiting closing)	Wasilla	176,000
34 loans				1,175,755

NOTE: ALL OF THE RECIPIENTS
ARE PRIVATE ENTITIES

NOTE: T = TOURISM
RELATED

2/27/98

Pg 1 of 5

FY 1997 RDA MINI-GRANT AWARDS **DCEA**
 (alphabetical by community)

	COMMUNITY / APPLICANT	CONTACT	PHONE	PROJECT	MG\$	MATCH	
1	Akiachak Native Community	George Peter	825-4626	Fish processing plant equipment purchase	30,000	209,876	
2	Akiak Native Community	Sammy Jackson	765-7112	Kamp Kisaralk marketing	5,000	31,708	
3	Arctic Village Council	Steven Tritt	587-5114	Arctic Village Visitor Center feasibility study	10,000	9,153	
4	Coffman Cove	Elaine Price	329-2232	Island wide tourism promotion	7,500	7,550	
5	Cold Bay / AEB	Sharon Boyette	274-7555	Regional economic diversification study	5,000	59,000	
6	Delta Junction / DELTANA Comm Corp	Paul Knop	895-4150	Processing plant design	25,000	16,000	
7	Glemallen / CVEDC	Donna Tollman	822-5001	Youth entrepreneurship project	18,500	7,317	
8	Hoonah Indian Association	Kenny Grant	945-3545	Bed and breakfast upgrade	15,000	15,000	
9	Houston / Mat-Su Conv. & Visitors Bureau	Jerro Wroble	746-5000	Borough wide tourism and impact study	10,000	40,000	
10	Kobuk	Joanne Sheldon	948-2217	Overall economic development plan	5,000	7,880	
11	Kwiglingok / AVCP	Esher Slauffer	543-3521	Regional arts and crafts marketing program	20,000	25,219	
12	Maney Village Crafters' Guild	Melanie Mulligan	672-3130	Manley Hot Springs Visitors Guide production	5,000	6,565	
13	Meniasta Tribal Council	Kathryn Martin	291-2319	Overall economic development plan	5,000	7,500	
14	Nelson Lagoon Village Council	Justine Gunderson	989-2205	General store start up	15,500	29,900	
15	Poirt Hope, Native Village of	Pinky Tooyak	368-2330	Native Arts and Crafts cooperative start up	21,000	127,500	
16	Rushton Mission / Igurmiut Trad Council	Mary Jane Jackson	584-5511	Overall economic development plan	5,000	2,500	
17	Seward	Yvette Welsh	224-4047	Convention business feasibility study	8,000	51,875	
18	Shishmaref Native Village / Shishmaref Tannery	Lucl Eningowak	649-3821	Shishmaref Tannery expansion plan	11,000	3,500	
19	St. Michael Native Village	Pauling Otten	923-2304	Lodging business plan	5,000	9,175	
20	Stevens Village Council	David Lacey	452-7162	Koyukon Visitor Center restaurant equipment	30,000	465,577	
21	Tokook Bay	Nick Thanar	427-7613	Fish plant equipment purchase	10,000	-	
22	Tumnak/ Coastal Villages Investment Fund	Phillip Kusayak	652-6312	Fish plant equipment purchase	10,000	3,378	
23	Wrangel	Carol Rushmore	874-2381	Dry kiln construction	23,500	200,547	
* public/private partnership *					TOTAL	300,000	1,336,521

NOTE: T = TOURISM
RELATED

**DCRA
CDBG FFY 96 AWARD LIST
Awarded February 10 - 11, 1997**

Community	Type	Project	Amount	Score
St. Marys	CD	Dock Improvements & Expansion	199,665	96
Fairbanks	CD	Purchase Fire Equipment	200,000	94
False Pass	CD	Dock Improvements	200,000	93
Egegik	CD	Bulk Tank Farm Diking & Purchase	90,000	93
Lake & Peninsula Borough	PL	Economic Development Plan	50,000	92
Juneau	CD	Renovate Homeless Shelter	200,000	88
Marshall	CD	Consolidate Bulk Fuel Facility	200,000	87
Nenana	ED	Salmon Bake	165,000	87
Quinhagak	CD	Construct Clinic/Washeteria	200,000	86
Kobuk	PL	Design for Solid Waste	78,398	84
Aleutians East Borough	CD	Water System Improvements	34,604	78
Tanana	CD	Renovate Fire Hall/Purchase Equipment	200,000	78
Ouzinkie	CD	Construct Health Clinic	200,000	77
Kotlik	PL	Landfill Removal	113,517	75
Alakanuk	PL	Erosion/Relocation Design	54,000	69
Port Alexander	CD	Boardwalk Upgrade & Repair	61,585	69
Elim	CD	Tank Farm Relocation	200,000	69
Koyuk	PL	Relocate Tank Farm	60,000	64
Huslia	PL	Relocate Gas & Oil	200,000	61
Port Lions	CD	Renovate Community Hall	200,000	59
Ketchikan Borough	CD	ADA Pool Renovation	26,709	57
Wasilla	PL	Employment for Disabled Persons	26,775	56
Aleknagik	CD	Purchase Fire Truck	60,000	56
White Mountain	CD	Backup Generator or Transformers	83,245	55
Teller	CD	Bering Learning Center	200,000	53
Kivalina	PL	Relocation	200,000	52
Savoonga	CD	Solid Waste Garage	192,232	52
Emmottak	CD	Water/Sewer Expansion	200,000	49
Northwest Arctic Borough	CD	Construct Clinic In Noatak	200,000	49
Brevig Mission	CD	Construct Bed & Breakfast	200,000	40
Hughes	CD	Multipurpose Building	86,202	40
Saxman	PL	Boat Harbor Development Plan	80,000	39
Shaktootik	CD	Health Clinic	151,755	38
Ambler	CD	Lift Stations/Water Sewer Hookups	200,000	35

\$3,103,498 in FUNDED projects. SHADED area identifies communities that were NOT funded @ \$1,710,189.
FFY 96 ASC results released 02.21.97

NOTE: T = TOURISM RELATED

(*)
97 RDA GRANT APPLICATIONS - SCRA
(by score)

COMMUNITY / APPLICANT	TYPE	PROJECT	RDA
92 Kipriuk Traditional Council	CD	bulk fuel storage area upgrade	40,000
91 Venetie Traditional Council	CD	multipurpose building log preparation	20,000
90 Sheldon Point	CD	community hall water/sewer installation	40,000
89 Edna Bay Community Association	ED	beach access to dock facility	45,000
89 Steebmute Traditional Council	CD	health clinic renovation	50,000
88 Gambell	CD	youth center renovation	25,000
88 Mountain Village	CD	arts and crafts entrepreneurship project	10,000
87 Dol Lake Village Council	CD	community wood fired boiler project	40,000
87 Eagle City Council	TC	solid waste disposal site development	15,000
87 Eek, Native Village of	CD	remove power plant environmental hazard	12,000
87 Egegik	CD	solid waste transportation equipment	16,000
86 Stabbins	CD	construct North Beach access road	20,000
85 Elin	CD	replace water transmission line	20,000
85 Pelican	TC	comprehensive plan development	10,000
85 Siana Community Corporation	CD	community well	10,000
85 Stevens Village Council	CD	renovate building for office space	35,000
84 Elin Cove Non-Profit Corp.	CD	replace bulk fuel transmission lines	8,000
84 Galena	CD	comprehensive plan	15,000
84 Neknek Village Council	TE	economic development plan	5,000
84 Teller	CD	public safety vehicle and equipment	25,000
83 Nenana	ED	salmon bake and smokery equipment	30,000
82 Ambler	CD	clinic renovation plan	5,000
82 Cantwell Native Council	CD	road upgrade	20,000
82 Hollis Community Council	CD	Canoe Pass Road project	40,000
82 Minto IRA Council	CD	building renovation plan for youth center	10,000
82 New Stuyahok Traditional Council	CD	clinic expansion plan	5,000
82 Tanana	CD	fire hall renovation feasibility plan	10,000
82 Togiak	CD	complete cultural center	30,000
81 St. Mary's end Unalakleet / AFDF	CD	regional salmon marketing project	50,000
PRENEGOTIATION TOTAL:			661,000

↑ Funded

NOTE: T = TOURISM
RELATED
FUNDING

- unfunded - next page.

* Note: RDA Grant program was not funded by Legislature for FY 98.

97 RDA GRANT APPLICATIONS DCRA
(by score)

pg 5/5

Not Funded
↓

80	Chistochina Village Council	CD	tribal offices
80	Port Alexander	CD	boardwalk upgrade
80	Port Heiden	CD	multipurpose building
80	Thome Bay	TC	power line extension study
79	Akiachak Native Community	ED	portable fish processor project
79	Huslia	CD	bulk fuel upgrade
79	Klawock	CD	longhouse completion
79	Mentasta Traditional Council	CD	road maintenance equipment
79	Mellakatia Indian Community	ED	value added salmon equipment
79	Willow / Mat-Su RC & D	CD	community center repair
78	Coffman Cove	ED	ferry terminal design
78	Grayling, Organized Village of	CD	tank farm improvements
78	Kwigillingok / AVCP	ET	region arts and crafts marketing
78	Sand Point	CD	develop new water source
77	Aleknagik	CD	landfill equipment
77	Aniak	CD	fire hall completion
77	Brevig Mission	ED	furnish bed and breakfast
77	Hooper Bay	CD	washeteria equipment
77	Seldovia	CD	back hoe purchase
76	Cold Bay / AEB	TC	establish community access network
76	Houston	CD	multipurpose center
76	Shageluk	CD	landfill maintenance equipment
75	Bettles	CD	road upgrade
75	Chenega Bay IRA Council	ED	Chenega trail, phase II
75	Kivalina IRA Council	CD	child care office space
75	Kotlik	ED	seafood processing development
75	Nondalton Tribal Council	ED	economic development plan
74	Nightmute	CD	generator upgrade
74	Savoonga	CD	renovate teen center
73	Chalkyitsik Village Council	CD	multipurpose building design
73	Napaskiak / Napaskiak Electric Utility	CD	bulk fuel storage improvement
73	Newhalen	TC	landfill plan
73	Noatak IRA Council	TC	design work for bulk fuel farm
73	Nunapitchuk	TC	road bridge relocation study
73	Tenakee Springs	CD	enclose storage building
72	Ekwok	CD	city office building
72	Ester Volunteer Fire Dept.	CD	fire equipment
72	Koliganek Village Council	CD	construct public safety building
71	Akutan Traditional Council	ED	ecotourism guided tour development
70	Delta Junction / DELTANA Comm Corp	TE	feasibility of pea production
69	Allakaket Village Council	TC	multipurpose building design
68	Enimonak	CD	extend water lines
68	Kasigaluk Traditional Council	TC	establish independent utility
67	Crooked Creek Corp.	CD	renovate preschool facility
67	Kongiganak Traditional Council	CD	multipurpose building design
64	Golevin	CD	expand washeteria
61	Anderson	ED	lands survey and development plan

T
T

T

Proposed
NOTE: T = TOURISM
RELATED
PROJECTS
(ELIGIBLE BUT NOT FUNG
2 of 2

Article 9A. Regional Economic Assistance Program.

Section

900. Alaska regional economic assistance program.

Effective dates. — Section 8, E.O. No. 93, makes this article effective July 1, 1996.

Sec. 44.47.900. 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 population to form an economically viable unit with shared interests, resources, 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 this subsection based upon the capability of each organization to generate money from nonstate sources. The amount of match required may not exceed the amount of grant money and may not be less than 20 percent of the grant. The total amount of grant money provided to an organization during a fiscal year may not exceed \$100,000.

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

HB

40

FTLE

STIN

SENATE FINANCE COMMITTEE REPORT

5/14/99

DATE: 5/10/99

FURTHER:

DATE TURNED

IN TO OFFICE: 5/14/99

Finance Committee considered

CS FOR HOUSE BILL NO. 40(FIN) am

DEPT OF COMMERCE & RURAL DEVELOPMENT

and recommends:

be replaced with 5 CS HB 40 (FIN)

adopt previous _____ CS _____ (_____)

attached amendment(s)

adopt Letter of Intent by _____ Committee

further referral to the _____ Committee

Senate Bill:

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

SIGNING DO/PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	✓	<i>[Signature]</i>	✓		
<i>[Signature]</i>	✓	<i>[Signature]</i>	X		
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

Various	5/10/99			(3595)

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

5/14/99 No: 3
 Bill Version: CSHB 40(FIN)
 (H) Publish Date: 5/5/99

**STATE OF ALASKA
 1999 LEGISLATIVE SESSION**

Revision Date 4/29/99 1:25 PM
 Title An Act combining parts of the Depts of Commerce &
 Economic Development and Community & Regional Affairs...
 Sponsor Rep. Kohring, et al
 Requester House Finance Committee

Dept. Affected Various
 BRU _____
 Component _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Personal Services	(355.5)					
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	(355.5)	***	***	***	***	***

CAPITAL EXPENDITURES	200.0	***				
-----------------------------	--------------	------------	--	--	--	--

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

FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
1002 Federal Receipts	200.0					
1003 GF Match						
1004 GF	(555.5)					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	(355.5)	***	***	***	***	***

Estimate of any current year (FY99) cost:

POSITIONS

Full-time	-5	***	***	***	***	***
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The primary savings will be in the out years. This fiscal note shows the known personnel cost reductions during the initial implementation year. Further reductions are anticipated after all organizational changes are completed - those will be reflected in the FY2001 operating budget. This fiscal note notes initial capital implementation costs of \$200.0, a very minimal amount for some employee moves to bring units together and necessary changes to computer/telephone configurations; some more would be needed in the second year. Also included is a replacement of \$200.0 in GF with Federal Receipts in Rural Energy. Sec. 78(e) specifies that appropriations are to be transferred with the programs being relocated; all program funding is currently contained within the operating budget. The cost savings shown above are based on the following: A) There will be one fewer Commissioner and Executive Secretary positions. (-158.6); B) The vacant Administrative Services Director position (DCRA) will be deleted. (-116.9); C) Other administrative support costs will be reduced by downgrading or eliminating other positions (-80.0)

Prepared by Danith Watts Phone 465-2178
 Division Office of Management and Budget Date/Time 5/4/99 12:11 PM
 Approved by Annalee McConnell, Director Date 05/04/1999
 Agency Office of Management and Budget

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SENATE FINANCE
COMMITTEE #
Amendment Number: 1
Bill Number: HB 40
Sponsor: Toranson Date: 5/11/99
Logged In By: Mindy

moved by Phillips
w/o obj. ADOPTED

II. Insert the following after Bill Section 76:

* **Sec. 77.** AS 47.80.300 is amended to read:

Sec. 47.80.300. Statewide independent living council. There is established the Statewide Independent Living Council. For budgetary purposes, the council is located in the Department of Labor and Workforce Development [EDUCATION]. The Department of Labor and Workforce Development [EDUCATION] shall provide reasonable and necessary professional and technical assistance when requested by the council.

III. Amend Bill Sec. 79 by deleting: "AS 44.29.020(a)(14)".

IV. Amend Bill Section 80 by adding: "AS 44.29.020(a)(14)".

V. Amend Bill Section 92 to read:

* **Sec. 92.** The amendment made to AS 14.35.020(b)(5) by sec. 6 of this Act, the amendment made to AS 14.42.015(a)(5) by section 12 of this Act, and secs. 3, 4, 7, 9 - 11, 13, 23, 25, 27, 28, 46, 51, 63, 73 - 76, and 87 of this Act take effect July 1, 2000.

SENATE FINANCE

COMMITTEE

Amendment Number: #2

1-LS0056(MA.5)

Bill Number: ~~CS~~CSHB40(FIN)

Lauterbach

Sponsor: ~~Torgerson~~ Date: 5/14/99

5/13/99

Logged In By: Mindu

A M E N D M E N T

not offered

OFFERED IN THE SENATE
TO: CSHB 40(FIN) am

By Senator Torgerson
By Request

1 Page 52, lines 18 - 23:

2 Delete:

3 "(a) A loan committee consisting of five [SEVEN] members is established.
4 The committee is composed of [THE COMMISSIONER OF COMMUNITY AND
5 REGIONAL AFFAIRS,] the commissioner of community [COMMERCE] and
6 economic development, the director of management and budget, or the designees of
7 the commissioner [COMMISSIONERS] or the director, and three [FOUR] public
8 members."

9 Insert:

10 "(a) A loan committee consisting of five [SEVEN] members is established.
11 The committee is composed of the executive director of the Alaska Industrial
12 Development and Export Authority [COMMISSIONER OF COMMUNITY AND
13 REGIONAL AFFAIRS, THE COMMISSIONER OF COMMERCE AND
14 ECONOMIC DEVELOPMENT], the director of management and budget, or the
15 designees of the executive director [COMMISSIONERS] or the director, and three
16 [FOUR] public members.

17 * Sec. 48. AS 42.45.060(c) is amended to read:

18 (c) The executive director of the Alaska Industrial Development and
19 Export Authority [COMMISSIONER OF COMMUNITY AND REGIONAL
20 AFFAIRS] serves as chair of the committee. The committee may elect other officers
21 as necessary. A majority of the members of the committee constitute a quorum and
22 may exercise the powers of the committee.

23 * Sec. 49. AS 42.45.990 is amended by adding a new paragraph to read:

24 (6) "authority" means the Alaska Industrial Development and Export
25 Authority."