

ALASKA LEGISLATURE COMMITTEE FILES 1993-1994 8672

8104 HOUSE STATE AFFAIRS

369

STATE OF ALASKA
OFFICE OF MANAGEMENT & BUDGET
DIVISION OF BUDGET REVIEW

DATE: 12/17/91
TIME: 12:10:11
PROG: FORMCID

FY '93 BUDGET CYCLE BENCHMARK LEVEL COMPARISONS

AGENCY: OFFICE OF THE GOVERNOR
BRU: COMMISSIONS/SPECIAL OFFICES
COMPONENT: ALASKA WOMENS COMMISSION (SER 9: 5)

ITEM	FY '91 AUTHORIZED	FY '91 FINAL AUTH	FY '91 ACTUAL	FY '92 AUTHORIZED	FY '93 ADJ BASE	FY '93 AGENCY	FY '93 GOVERNOR
*** COMPONENT TOTAL ***	239.8	266.3	243.3	108.5	30.0	30.0	30.0
EXPENDITURES							
Personal Services	163.9	178.9	172.4	32.7	0.0	0.0	0.0
Travel	28.7	25.2	21.2	37.7	12.0	12.0	12.0
Contractual Services	43.7	57.5	45.2	37.1	18.0	18.0	18.0
Commodities	3.5	4.3	4.1	1.0	0.0	0.0	0.0
Equipment	0.0	0.4	0.4	0.0	0.0	0.0	0.0
Land/Buildings	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants/Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Misc.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FUNDING							
1002 Fed Rcpts	3.0	15.7	12.6	38.5	0.0	0.0	0.0
1004 GF Receipt	221.7	225.5	217.6	60.0	30.0	30.0	30.0
1005 GF/PROM	3.0	13.0	7.0	10.0	0.0	0.0	0.0
1007 I/A Rcpts	12.1	12.1	6.1	0.0	0.0	0.0	0.0
STAFFING							
Full-time	3.0	3.0	3.0	0.0	0.0	0.0	0.0
Part-time	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Temporary	1.0	1.0	1.0	0.0	0.0	0.0	0.0
Staff-months	42.0	42.0	42.0	0.0	0.0	0.0	0.0

000031

STATE OF ALASKA
OFFICE OF MANAGEMENT & BUDGET
DIVISION OF BUDGET REVIEW

Date: 01/24/91
TIME: 15:26:31
PROG: FORMCID

FY '92 BUDGET CYCLE BENCHMARK LEVEL COMPARISONS

AGENCY: OFFICE OF THE GOVERNOR
BRU: COMMISSIONS/SPECIAL OFFICES
COMPONENT: ALASKA WOMENS COMMISSION (SER #: 5)

ITEM	FY '90 AUTHORIZED	FY '90 FINAL AUTH	FY '90 ACTUAL	FY '91 AUTHORIZED	FY '92 ADJ BASE	FY '92 AGENCY	FY '92 GOVERNOR
*** COMPONENT TOTAL ***	264.3	302.4	263.0	239.8	247.7	30.0	30.0
EXPENDITURES							
Personal Services	158.4	166.8	161.6	163.9	171.8	0.0	0.0
Travel	28.7	42.4	38.2	28.7	28.7	12.0	12.0
Contractual Services	73.7	85.0	56.0	43.7	43.7	18.0	18.0
Commodities	3.5	6.4	5.4	3.5	3.5	0.0	0.0
Equipment	0.0	1.8	1.8	0.0	0.0	0.0	0.0
Land/Buildings	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants/Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Misc.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FUNDING							
1002 Fed Rcpts	0.0	35.4	21.9	3.0	3.0	0.0	0.0
1004 GF Receipt	217.1	219.8	219.7	221.7	229.1	30.0	30.0
1005 GF/PRGM	36.0	36.0	13.7	3.0	3.0	0.0	0.0
1007 I/A Rcpts	11.2	11.2	7.7	12.1	12.6	0.0	0.0
STAFFING							
Full-time	3.0	3.0	3.0	3.0	3.0	0.0	0.0
Part-time	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Temporary	1.0	1.0	1.0	1.0	1.0	0.0	0.0
Staff-months	42.0	42.0	42.0	42.0	42.0	0.0	0.0

0000018

STATE OF ALASKA
OFFICE OF MANAGEMENT & BUDGET
DIVISION OF BUDGET REVIEW

OPERATING BUDGET COMPONENT SUMMARY

AGENCY: OFFICE OF THE GOVERNOR
 FUND: COMMISSIONS SPECIAL OFFICES
 COMPONENT: ALASKA COMMISSION ON CHILDREN AND YOUTH (SEP #: 1206)

ITEM	FY '92 AUTHORIZED	FY '92 FINAL	FY '92 ACTUAL	FY '93 CONF COMM	FY '93 AUTHORIZED	FY '94 GOVERNOR	93 AUTH VS 94 DIFFERENCE
*** COMPONENT TOTAL ***	32.0	32.0	26.1	32.0	31.3	31.3	0.0
EXPENDITURES							
Personal Services	0.0	12.6	12.5	0.0	0.0	0.0	0.0
Travel	14.0	10.0	6.3	14.0	14.0	14.0	0.0
Contractual Services	18.0	8.0	6.0	18.0	17.3	17.3	0.0
Commodities	0.0	1.4	1.3	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land/Buildings	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants/Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Misc.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
REVENUES							
1004 General Fund Receipts	32.0	32.0	26.1	32.0	31.3	31.3	0.0
STAFFING							
Full-time	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Part-time	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Temporary	0.0	0.0	0.5	0.0	0.0	0.0	0.0

STATE OF ALASKA
OFFICE OF MANAGEMENT & BUDGET
DIVISION OF BUDGET REVIEW

DATE: 12/17/91
TIME: 12:10:25
PRG: FORMCID

FY '93 BUDGET CYCLE BENCHMARK LEVEL COMPARISONS

AGENCY: OFFICE OF THE GOVERNOR
BRU: COMMISSIONS SPECIAL OFFICES
COMPONENT: ALASKA COMMISSION ON CHILDREN AND YOUTH (SER #: 1206)

ITEM	FY '91 AUTHORIZED	FY '91 FINAL AUTH	FY '91 ACTUAL	FY '92 AUTHORIZED	FY '93 ADJ BASE	FY '93 AGENCY	FY '93 GOVERNOR
*** COMPONENT TOTAL ***	104.3	104.3	97.6	32.0	32.0	32.0	32.0
EXPENDITURES							
Personal Services	74.7	71.7	68.2	0.0	0.0	0.0	0.0
Travel	15.4	19.5	18.8	14.0	14.0	14.0	14.0
Contractual Services	13.5	10.9	9.5	18.0	18.0	18.0	18.0
Commodities	0.7	1.2	1.1	0.0	0.0	0.0	0.0
Equipment	0.0	1.0	0.0	0.0	0.0	0.0	0.0
Land/Buildings	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants/Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Misc.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FUNDING							
1004 GF Receipt	104.3	104.3	97.6	32.0	32.0	32.0	32.0
STAFFING							
Full-time	1.0	1.0	1.0	0.0	0.0	0.0	0.0
Part-time	2.0	2.0	2.0	0.0	0.0	0.0	0.0
Temporary	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Staff-months	24.0	24.0	24.0	0.0	0.0	0.0	0.0

000059

OFFICE OF THE GOVERNOR

FACT SHEET

EXECUTIVE ORDER NO. 84: ALASKA HUMAN RELATIONS COMMISSION

Executive Order No. 84 consolidates the Alaska Women's Commission and the Alaska Commission on Children and Youth into a new Alaska Human Relations Commission. We present this order as a positive approach to strengthen and coordinate these two commissions.

The Governor's Task Force on Boards and Commissions reviewed and studied several consolidations and proposals, with the goals of reducing costs, improving the delivery of service to the public, and streamlining government. As a joint legislative, executive, and public task force, the group found some parts possible and some not.

Public testimony received in the B&C office shows greater than 2 to 1 in favor of the merger of the AWC and ACCY. Groups that have endorsed in the past include: Alaska Council for Children's Rights; Alaska Family Support Group; The Ministry of Reconciliation; Governor's Task Force on Boards and Commissions (GTFBC).

In addition, persons interested in the work of the Family Law Review Task Force (a legislative task force headed by then Senator Jack Coghill) requested that the task force have a more permanent status, so that an independent body would exist to continue the work on issues raised during the FLRTF meetings.

The ACCY and AWC also showed support for looking at a potential merger.

After their review, the Governor's Task Force on Boards and Commissions recommended unanimously the consolidation of the AWC, ACCY, and the Juvenile Justice and Family Services Advisory Committee (JJFSAC) in an Human Relations Commission. The JJFSAC is a federally required board and is not addressed in Alaska Statutes, therefore not appropriate for combination under an EO or legislation (unless first created legislatively), so the EO proposes a new Alaska Human Relations, combining the AWC and ACCY.

The functions and duties of the new AHRC will be the same. Membership will be comprised of seven public members and 2 executive branch members. Such membership requirements as one being a person who manages a household with at least one child and who is not otherwise employed, and one public member being under age 21 remain the same. Membership decreases from a total of 21 to 9 (ACCY was 11, AWC was 10).

Although no additional funds are required to implement this Executive Order, the Governor feels an increase to the new commission's budget is warranted, and will submit an increased appropriation request as part of budget amendments later this session.

The highest combined budgets for these commissions was in FY91 at \$344.1 (AWC 239.8; ACCY 104.3). Their combined budget for FY93 is \$60.7 (AWC 29.4; ACCY 31.3). Members of the committee have a budget history for these two commissions.

The effective date for the merger is March 23, 1993. FY 93 budgets will fund the new commission through July 1, 1993.

BOARD: CHILDREN AND YOUTH, ALASKA COMMISSION ON

BOARD IDENTIFICATION NUMBER: 111

TITLE: Alaska Commission on Children and Youth

DEPT: Office of the Governor

AUTHORITY: AS 44.19.521

STATUS: June 30, 1993

REQUIREMENTS: FINANCIAL DISCLOSURE (AS 39.50)

PROHIBITIONS:

TERM: 3 years

DESCRIPTION: 11 members: 7 public members and 4 executive branch members appointed by the Governor. At least 1 public member must be under the age of 21 at the time of appointment.

SPECIAL FACTS: The commission elects a member as chair. The chair may appoint other officers as necessary. A person appointed to a vacancy serves for the unexpired portion of the term. Provide the Governor and the Legislature with copies of their annual report by the 15th day of each regular legislative session. If a review is done on the laws of the state with regard to matters involving children, a report shall be provided to the Governor and the Legislature by January 1, 1992. Under 21 member is not required to be registered voter if he/she is not old enough to be a registered voter in the last general election. Serve at the pleasure of the Governor.

FUNCTION: To develop a comprehensive statewide plan that identifies the needs of children and youth, individually and as they relate to their families, and makes recommendations to enhance their quality of life.

COMPENSATION: Standard travel/per diem

MEETINGS: Approximately 4 times per year.

*FOR FURTHER INFORMATION CONTACT: Chair, Alaska Commission on Children and Youth, Office of the Governor, 10231 Betula Drive, Anchorage, AK 9950, PHONE: 349-9641 (Revised 10/27/92)

BOARD: WOMEN'S COMMISSION, ALASKA

BOARD IDENTIFICATION NUMBER: 108

TITLE: Alaska Women's Commission

DEPT: Office of the Governor

AUTHORITY: AS 44.19.165

SUNSET DATE: June 30, 1993

REQUIREMENTS:

PROHIBITIONS: The members shall have been residents of Alaska for at least two years by the time of appointment. At least one member shall be a person who manages a household that includes the person's spouse and at least one child, and who is not otherwise employed.

TERM: 3 years

DESCRIPTION: 9 members appointed by the Governor and an ex-officio member representing the Attorney General who shall serve at the pleasure of the Governor.

SPECIAL FACTS: Quorum - majority; annual report to Governor/Legislature. A member may not serve more than 6 consecutive years.

FUNCTION: To improve the status of women in Alaska by conducting research; by serving as a referral service for information and education that will help women avail themselves of existing resources to meet their needs; and by making and implementing recommendations on the opportunities, needs, problems, and contributions of women in Alaska.

COMPENSATION: Standard travel/per diem.

MEETINGS: Shall meet at the call of the chair, at the request of a majority of the members, or at a regularly scheduled time as determined by a majority of the members.

*FOR FURTHER INFORMATION CONTACT: Chair, Alaska Women's Commission, P.O. Box 82977, Fairbanks, AK 99708
PHONE: 488-0133 (Revised 3/24/92)

STATE OF ALASKA
OFFICE OF MANAGEMENT & BUDGET
DIVISION OF BUDGET REVIEW

OPERATING BUDGET COMPONENT SUMMARY

AGENCY: OFFICE OF THE GOVERNOR
 DIVISION: COMMISSIONS/SPECIAL OFFICES
 COMPONENT: ALASKA WOMENS COMMISSION (SER #: 5)

ITEM	FY '92 AUTHORIZED	FY '92 FINAL	FY '92 ACTUAL	FY '93 CONF COMM	FY '93 AUTHORIZED	FY '94 GOVERNOR	93 AUTH VS 94 DIFFERENCE
* * * COMPONENT TOTAL * * *	100.5	118.5	79.3	30.0	29.4	29.4	0.0
EXPENDITURES							
Personal Services	32.7	32.7	29.2	0.0	0.0	0.0	0.0
Travel	37.7	37.7	23.5	12.0	12.0	12.0	0.0
Contractual Services	37.1	45.6	25.3	18.0	17.4	17.4	0.0
Commodities	1.0	2.5	1.3	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land/Buildings	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants/Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Misc.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FUNDING							
1002 Federal Receipts	38.5	38.5	31.7	0.0	0.0	0.0	0.0
1004 General Fund Receipts	60.0	60.0	43.3	30.0	29.4	29.4	0.0
1005 GF/Program Receipts	10.0	20.0	4.3	0.0	0.0	0.0	0.0
STAFFING							
Full-time	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Part-time	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Temporary	0.0	0.0	0.5	0.0	0.0	0.0	0.0

STATE OF ALASKA
OFFICE OF MANAGEMENT & BUDGET
DIVISION OF BUDGET REVIEW

DATE: 12/17/91
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FY '93 BUDGET CYCLE BENCHMARK LEVEL COMPARISONS

AGENCY: OFFICE OF THE GOVERNOR
BRU: COMMISSIONS/SPECIAL OFFICES
COMPONENT: ALASKA WOMENS COMMISSION (SER 0: 5)

ITEM	FY '91 AUTHORIZED	FY '91 FINAL AUTH	FY '91 ACTUAL	FY '92 AUTHORIZED	FY '93 ADJ BASE	FY '93 AGENCY	FY '93 GOVERNOR
*** COMPONENT TOTAL ***	239.8	266.3	243.3	108.5	30.0	30.0	30.0
EXPENDITURES							
Personal Services	163.9	178.9	172.4	32.7	0.0	0.0	0.0
Travel	28.7	25.2	21.2	37.7	12.0	12.0	12.0
Contractual Services	43.7	57.5	45.2	37.1	18.0	18.0	18.0
Commodities	3.5	4.3	4.1	1.0	0.0	0.0	0.0
Equipment	0.0	0.4	0.4	0.0	0.0	0.0	0.0
Land/Buildings	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants/Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Misc.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FUNDING							
1062 Fed Rcpts	3.0	15.7	12.6	38.5	0.0	0.0	0.0
1004 OF Receipt	221.7	225.5	217.6	60.0	30.0	30.0	30.0
1005 OF/PROM	3.0	13.0	7.0	10.0	0.0	0.0	0.0
1007 I/A Rcpts	12.1	12.1	6.1	0.0	0.0	0.0	0.0
STAFFING							
Full-time	3.0	3.0	3.0	0.0	0.0	0.0	0.0
Part-time	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Temporary	1.0	1.0	1.0	0.0	0.0	0.0	0.0
Staff-months	42.0	42.0	42.0	0.0	0.0	0.0	0.0

000031

STATE OF ALASKA
OFFICE OF MANAGEMENT & BUDGET
DIVISION OF BUDGET REVIEW

DATE: 01/24/91
TIME: 15:26:31
PROG: FORMCID

FY '92 BUDGET CYCLE BENCHMARK LEVEL COMPARISONS

AGENCY: OFFICE OF THE GOVERNOR
BRU: COMMISSIONS/SPECIAL OFFICES
COMPONENT: ALASKA WOMENS COMMISSION (SER #: 5)

ITEM	FY '90 AUTHORIZED	FY '90 FINAL AUTH	FY '90 ACTUAL	FY '91 AUTHORIZED	FY '92 ADJ BASE	FY '92 AGENCY	FY '92 GOVERNOR
*** COMPONENT TOTAL ***	264.3	302.4	263.0	239.8	247.7	30.0	30.0
EXPENDITURES							
Personal Services	158.4	166.8	161.6	163.9	171.8	0.0	0.0
Travel	28.7	42.4	38.2	28.7	28.7	12.0	12.0
Contractual Services	73.7	85.0	56.0	43.7	43.7	18.0	18.0
Commodities	3.5	6.4	5.4	3.5	3.5	0.0	0.0
Equipment	0.0	1.8	1.8	0.0	0.0	0.0	0.0
Land/Buildings	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants/Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Misc.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FUNDING							
1002 Fed Rcpts	0.0	35.4	21.9	3.0	3.0	0.0	0.0
1004 GF Receipt	217.1	219.8	219.7	221.7	229.1	30.0	30.0
1005 GF/PRGM	36.0	36.0	13.7	3.0	3.0	0.0	0.0
1007 I/A Rcpts	11.2	11.2	7.7	12.1	12.6	0.0	0.0
STAFFING							
Full-time	3.0	3.0	3.0	3.0	3.0	0.0	0.0
Part-time	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Temporary	1.0	1.0	1.0	1.0	1.0	0.0	0.0
Staff-months	42.0	42.0	42.0	42.0	42.0	0.0	0.0

0000018

STATE OF ALASKA
OFFICE OF MANAGEMENT & BUDGET
DIVISION OF BUDGET REVIEW

OPERATING BUDGET COMPONENT SUMMARY

AGENCY: OFFICE OF THE GOVERNOR
 FUND: COMMISSIONS SPECIAL OFFICES
 COMPONENT: ALASKA COMMISSION ON CHILDREN AND YOUTH (SER #: 1206)

ITEM	FY '92 AUTHORIZED	FY '92 FINAL	FY '92 ACTUAL	FY '93 CONF COMM	FY '93 AUTHORIZED	FY '94 GOVERNOR	93 AUTH VS 94 DIFFERENCE
* * * COMPONENT TOTAL * * *	32.0	32.0	26.1	32.0	31.3	31.3	0.0
EXPENDITURES							
Personal Services	0.0	12.6	12.5	0.0	0.0	0.0	0.0
Travel	14.0	10.0	6.3	14.0	14.0	14.0	0.0
Contractual Services	18.0	8.0	6.0	18.0	17.3	17.3	0.0
Commodities	0.0	1.4	1.3	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land/Buildings	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants/Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Misc.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE							
1004 General Fund Receipts	32.0	32.0	26.1	32.0	31.3	31.3	0.0
STAFFING							
Full-time	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Part-time	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Temporary	0.0	0.0	0.5	0.0	0.0	0.0	0.0

STATE OF ALASKA
OFFICE OF MANAGEMENT & BUDGET
DIVISION OF BUDGET REVIEW

DATE: 12/17/91
TIME: 12:10:25
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FY '93 BUDGET CYCLE BENCHMARK LEVEL COMPARISONS

AGENCY: OFFICE OF THE GOVERNOR
BRU: COMMISSIONS SPECIAL OFFICES
COMPONENT: ALASKA COMMISSION ON CHILDREN AND YOUTH (SER 0: 1206)

ITEM	FY '91 AUTHORIZED	FY '91 FINAL AUTH	FY '91 ACTUAL	FY '92 AUTHORIZED	FY '93 ADJ BASE	FY '93 AGENCY	FY '93 GOVERNOR
*** COMPONENT TOTAL ***	104.3	104.3	97.6	32.0	32.0	32.0	32.0
EXPENDITURES							
Personal Services	74.7	71.7	68.2	0.0	0.0	0.0	0.0
Travel	15.4	19.5	18.8	14.0	14.0	14.0	14.0
Contractual Services	13.5	10.9	9.5	18.0	18.0	18.0	18.0
Commodities	0.7	1.2	1.1	0.0	0.0	0.0	0.0
Equipment	0.0	1.0	0.0	0.0	0.0	0.0	0.0
Land/Buildings	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants/Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Misc.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FUNDING							
1004 GF Receipt	104.3	104.3	97.6	32.0	32.0	32.0	32.0
STAFFING							
Full-time	1.0	1.0	1.0	0.0	0.0	0.0	0.0
Part-time	2.0	2.0	2.0	0.0	0.0	0.0	0.0
Temporary	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Staff-months	24.0	24.0	24.0	0.0	0.0	0.0	0.0

000059

FY 92

ALASKA WOMEN'S COMMISSION PROPOSED ACTIVITIES

I. IMPROVE THE ECONOMIC STATUS OF WOMEN:

The Alaska Dept. of Labor's recent research shows that women's average wages are only 62% of men's. Not only are women concentrated in lower paying occupations, but women still earn 15% less than men in the same occupations. Women make up 46% of Alaska's labor force. Training and employment opportunities are needed so that women may achieve and maintain a decent standard of living for themselves and their families, and so that societal goals of equality and justice are met.

1. Work and Families:

- ✓ Advocate for job-protected leave for employees for the birth or adoption of a child, care for sick family members or their own illness.
- ✓ Promote job sharing, flexible work schedules and benefits for part-time employees.
- ✓ Support federal tax credits and changes in social security to benefit parents who are not employed outside the home.

2. Non-traditional Jobs:

- ✓ Advocate for improved training and access to non-traditional jobs for women.

3. Education:

- ✓ Work to eliminate discrimination in teaching practices and curriculum materials on the basis of gender and race.
- ✓ Advocate for programs for at-risk youth and parenting teens.
- ✓ Increase access to post-secondary education by low-income women and displaced homemakers.

4. Child Care:

- ✓ Promote affordable, accessible, quality child-care and adequate compensation for childcare providers, including health benefits.

5. Women in Business:

- ✓ Develop programs which assist women entrepreneurs and low-income women through training, access to capital and marketing support.
- ✓ Cosponsor women in business conference

6. Child Support:

- ✓ Advocate for fair enforcement of child support orders.
- ✓ Complete research on child support.

7. Pay Equity and Affirmative Action:

- ✓ Support legislation on comparable worth.
- ✓ Promote pay equity and affirmative action in the public and private sector.

II. IMPROVE LEGAL STATUS AND SOCIAL WELFARE OF WOMEN:

Lack of adequate health care, high rates of domestic violence and sexual assault, substance abuse, and high divorce rates are all survival issues for women in Alaska. For many, the barriers these problems create seriously affect all aspects of their lives.

1. Pregnant and Parenting Teens:

- ✓ Distribute Commission report.
- ✓ Advocate for prevention programs and parenting support for teens, including transitional living.

2. Health and Safety:

- ✓ Advocate for prenatal and healthy baby services to 185% of poverty.
- ✓ Support increased funding for domestic violence and sexual assault programs.
- ✓ Promote comprehensive health curriculum in schools.
- ✓ Advocate for universal health insurance.
- ✓ Support increased funding to address health problems in rural areas.

3. Substance Abuse:

- ✓ Promote culturally sensitive treatment models for women that include and address domestic violence and sexual assault issues.
- ✓ Continue to address and advocate for comprehensive services to prevent FAS and FADE.

4. Support for AFDC Recipients:

- ✓ Address systemic change to protect recipients rights and to help recipients achieve self-sufficiency.
- ✓ Support adequate funding for JOBS, making it available to all volunteers.
- ✓ Hold meetings to provide information and support for AFDC recipients.

5. Legal Protections for Women:

- ✓ Revise and distribute *Women's Legal Rights Handbook*.
- ✓ Work with the legal community and legislature to address problems stated by women in the areas of divorce, custody, visitation, insurance, domestic violence and sexual assault.
- ✓ Support increased funding for Alaska Legal Services.

6. Older Women:

- ✓ Cosponsor conference for mid-life and older women, addressing health and economic issues, including financial management and access to employment training.

7. Minority Women:

- ✓ Coordinate conference for minority women, addressing employment, education, leadership, family and cultural issues.

8. Incarcerated Women:

- ✓ Work with Dept. of Corrections to address needs of women for rehabilitative services and contact with children.

III. INCREASE LEADERSHIP OPPORTUNITIES AND ABILITIES OF WOMEN:

Women are, in many ways, the "glue" that holds families and communities together. Through their personal changes and choices, through speaking out in their community and through their work in the public sphere, women are leaders in change.

1. Women's Hall of Fame:

- ✓ Promote visible role models of women in leadership through selection and induction of women into the Alaska Women's Hall of Fame.

2. Rural Women:

- ✓ Sponsor Leadership in Sobriety Conference for rural women.
- ✓ Promote and support subregional conferences.

3. Assist Women on AFDC to Advocate for Themselves:

- ✓ Produce and distribute booklet.
- ✓ Coordinate mentoring program.

4. Assist Women to Develop Political Skills:

- ✓ Produce and distribute booklet on advocating for children in the school system.
- ✓ Sponsor workshops and groups that support women's thinking and promote leadership.
- ✓ Provide information so that women can advocate for their needs with agencies and the legislature.

EO

85

FISCAL NOTE

No. 1

Bill Version: ED 85

(S) Publish Date: 1-11-93

STATE OF ALASKA
1993 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected: Revenue
 Title: Transfer Fish Bonding Program from Labor to Revenue BRU: Revenue Operations
 Component: Income and Excise Audit

Sponsor: _____
 Requestor: _____ COMPONENT SERIAL NO. 113

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL						
REVENUE FUND SOURCE:	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0	0	0	0	0	0

POSITIONS:

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

Estimate of current year (FY93) impact: \$ _____

ANALYSIS: (Attach a separate page if necessary)

This executive order transfer the bonding program for fish processors and buyers from the Department of Labor to the Department of Revenue effective July 1, 1993.

Prepared by: Larry E. Meyers, Director LEM
 Division: Income and Excise Audit Division
 Approved by Commissioner: [Signature]
 Agency: REVENUE

Phone: 465-2320
 Date: January 6, 1993
 Date: 1/6/93

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FISCAL NOTE

No. 2

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO : Bill Version: ED 85

(S) Publish Date: 1-11-93

Revision Date: _____
 Title: Transfer of the fish bonding
program to the Department of Revenue
 Sponsor: Rules Committee
 Requestor: Governor

Department Affected: Labor
 BRU: Labor Standards & Safety
 Component: Wage & Hour
 COMPONENT SERIAL NO. 345

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS/CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$ None

ANALYSIS: (Attach a separate page if necessary)
 This bill would transfer the fish buyers and processors bonding program to the Department of Revenue (DCR)
 No fiscal impact is reflected here because DOL has already deleted the associated funding from the
 department's FY 94 budget submittal. This reduction was possible because DOL invested approximately \$25.0
 in automating this program. The automated system will be provided to DOR.

Prepared by: Don Study, Director Phone: 465-6003
 Division: Labor Standards & Safety Date: 1/6/93
 Approved by Commissioner: Charles W. Mahlen
 Agency: Department of Labor Date: 1/6/93

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EO 85

WALTER J. HICKEL
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 11, 1993

The Honorable Ramona L. Barnes
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Speaker Barnes:

Under the authority of art. III, sec. 23, of the Alaska constitution, I am transmitting an Executive Order transferring the fish bonding program from the Department of Labor to the Department of Revenue.

Under that program, fish processors and primary fish buyers are required to post a bond to ensure that money is in place for the payment of wage claims, claims from commercial fishermen selling their catch, and unemployment insurance contributions. This program would be more efficiently run under the Department of Revenue because the enforcement mechanism is under that department and that department already operates a similar bonding program for fishery business licenses to ensure payment of fish taxes.

Sincerely,

Walter J. Hickel
Governor

EO

86

FISCAL NOTI No. 1

STATE OF ALASKA
1993 LEGISLATIVE SESSION

Bill Version: EO 86

(S) Publish Date: 1-11-93

Revision Date: _____ Dept. Affected: Fish and Game
 Title: Executive Order Transferring BRU: Commercial Fisheries
Duties of FRED Division Component: Commercial Fisheries
 Sponsor: Governor Walter J. Hickel FRED
 Requester: _____ COMPONENT SERIAL NO. _____

Expenditures:Revenues:	(Thousands of Dollars)					
	FY94	FY95	FY96	FY97	FY98	FY99
OPERATING						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
CAPITAL	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
REVENUE FUND SOURCE:						

FUNDING:	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF Program Receipts						
1006 GF MHTIA						
Other						
TOTAL	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

POSITIONS:						
FULL TIME						
PART TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$ 0

ANALYSIS: (Attach a separate page if necessary)

See attached transmittal letter from Governor Walter J. Hickel.

Prepared by: Lawrence W. Jones *Larry Jones* Phone: 465-1100
 Division: for Commissioner's Office Date: 1/7/93
 Approved by Commissioner: /s/ Carl L. Rosier *Lawrence W. Jones* Date: 1/7/93
 Agency: Department of Fish and Game

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WALTER J. HICKEL
GOVERNOR



EO 84

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 11, 1993

The Honorable Ramona L. Barnes
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Speaker Barnes:

Under the authority of art. III, sec. 23, of the Alaska Constitution, I am transmitting an Executive Order relating to the division of fisheries rehabilitation, enhancement and development (FRED), a division of the Department of Fish and Game.

In recent years, the role of the FRED division has undergone significant change. The division's main responsibility, at its inception in the early 1970's, was to construct and operate fish hatcheries owned by the state. Today, the operation of most of these hatcheries either has been or is now being transferred to private contractors and to the sport fish division. Other primary duties of the FRED division, such as fisheries planning and technical services to the salmon ocean ranching and emerging mariculture (shellfish) industries, can be performed more efficiently by integrating these duties within other divisions of the department.

Recent budget cuts require the department to streamline its operations and eliminate any overlapping functions. This Executive Order, which transfers the duties of the division to the department, will give the department flexibility to accomplish these goals.

Sincerely,

A handwritten signature in cursive script that reads "Walter J. Hickel".

Walter J. Hickel
Governor

**TESTIMONY TO THE HOUSE STATE AFFAIRS COMMITTEE
ON EXECUTIVE ORDER 86
January 19, 1993**

My name is Geron Bruce. I am a special assistant to the Commissioner of the Department of Fish and Game. I serve as the legislative liaison for the department. I am here this morning to testify on executive order 86. The department supports this executive order.

This executive order transfers to the department the duties of the Division of Fisheries Rehabilitation, Enhancement, and Development, or FRED for short. This division was established by statute in 1972, and is one of three fisheries divisions within the department. The other two are the Division of Commercial Fisheries and the Division of Sport Fisheries.

Each of the fisheries divisions has a particular area of responsibility. The sport fish division manages the fisheries resources important to the recreational users. The commercial fisheries division manages the commercial fisheries. The FRED division has developed technology for supplemental production for both commercial and recreational users, primarily through hatcheries. FRED division has also been involved in the rehabilitation of depressed wild stocks through a number of techniques.

Since its creation approximately 20 years ago, the FRED division has developed proven technologies for the supplemental production of salmon. This program has been so successful that Alaska has the second largest salmon enhancement program in the world. As this program has matured most of the state's hatcheries are being turned over for operation to the private nonprofit aquaculture corporations.

The hatcheries that will remain within the department are facilities that conduct work related to international agreements, such as the Pacific Salmon Treaty; facilities designed to pioneer new technology such as could be used in the Arctic regions of Alaska; and some hatcheries primarily producing fish for recreational users.

The focus of the FRED division has evolved from primary production to the provision of technical services to the private sector, including the new mariculture industry; development of new technology, and the integration of new technology into the management of mixed stocks of wild and enhanced salmon. The new technology of genetic stock identification is one example of the latter.

Executive Order 86 is necessary for the department to take advantage of the benefits which can be gained from improved program integration. It is also important for the department to be able to respond effectively to the continuing evolution of the state's fisheries management program.

It is the commissioner's intention to combine the FRED Division with the Commercial Fisheries Division. During the FY93 budget cycle, the commissioner informed the legislature of his interest in the combination of the two divisions. The department identified \$300,000 in savings that would result from such a merger. The FY93 budget passed by the legislature contained this reduction identified by the commissioner.

In addition, the department absorbed the FY93 cost of living increases and merit increases that were due its employees under their contract with the state. The legislature provided no additional funds for these increases.

The department needs the flexibility that this executive order will provide in order to adjust to the changing nature of the challenges facing the state's fisheries managers. The department also needs this flexibility in order to deal in a responsible fashion with the fiscal difficulties facing state government in the future. By utilizing personnel in the most effective and efficient manner, the commissioner hopes to avoid deterioration in the management of Alaska's fish and wildlife resources.

With me here this morning are the directors of the Divisions of Commercial Fisheries and Fisheries Rehabilitation, Enhancement, and Development. We will try to answer any questions that you may have. Thank you for the opportunity to provide the committee with a brief background on the need for executive order 86.

E O

8 7

Provided by Senator Rick Halford for SJR 6 (am State constitution authorizing use of initiative process) 1-27-93

HOUSE JOINT RESOLUTION 1/- Sponsored by Representative Gail Phillips

CONSTITUTIONAL AMENDMENTS APPEARING ON THE BALLOT

Election Date	Subject of Amendment	Provisions Affected	Resolution Number	Vote Totals		% in Favor
				For	Against	
08/23/66	Residency Requirement to Vote for President	Article V, Section 1	SJR 1	36,667	12,383	75%
08/27/68	Commission on Judicial Qualifications	Article IV, Section 10	HJR 74	32,481	12,823	71%
08/27/68	Compensation of Judicial Qualification Commission	Article IV, Section 13	HJR 74	27,156	17,467	61%
08/25/70	Establishing Voting Age at 18 Years	Article V, Section 1	HJR 7	36,590	31,216	54%
08/25/70	English Eliminated as Requisite for Voting	Article V, Section 1	HJR 51	34,079	32,578	51%
08/25/70	Secretary of State Designated Lieutenant Governor	Article III, Sections 7 - 11, 13 - 15 and 25; Article XI, Sections 2 - 8; Article XIII, Sections 1 and 3; and Article XV, Section 9	SJR 2	46,102	18,781	71%
08/25/70	Chief Justice Election by Supreme Court	Article IV, Section 2	HJR 11	44,055	19,583	69%
08/25/70	Term of Office for Judicial System Administrator	Article IV, Section 16	HJR 11	43,462	18,651	70%
08/22/72	Residency Requirement for Voting	Article V, Section 1	HJR 126	31,130	20,745	60%
08/22/72	Prohibition of Sexual Discrimination	Article I, Section 3	HJR 102	43,281	10,278	81%

- = passage by 66% or greater = 11
- = passage by 60-66% = 9
- = passage by 50-60% = 2
- = failed passage = 9

Total submitted = 31

CONSTITUTIONAL AMENDMENTS APPEARING ON THE BALLOT

Election Date	Subject of Amendment	Provisions Affected	Resolution Number	Vote Totals		% in favor
				For	Against	
08/22/72	Right of Privacy	Article I, Section 22	SJR 68	45,539	7,303	86%
08/22/72	Eliminate City Representation on Borough Assemblies	Article X, Section 4	SJR 52	30,132	19,354	61%
08/22/72	Limited Entry Fisheries	Article VIII, Section 15	SJR 10	39,837	10,761	79%
08/27/74	Voting on Constitutional Amendments at General Elections	Article XIII, Section 1	HJR 20	56,017	20,403	73%
11/02/76	Action on Veto of Bills	Article II, Sections 9 and 10	HJR 11	71,829	39,980	64%
11/02/76	Permanent Fund from Nonrenewable Resource Revenue	Article IX, Sections 7 and 15	HJR 39	75,588	38,518	66% 66.24
11/02/76	Administration and Review of State Land Disposal	Article VIII, Section 10	SJR 10	46,652	64,744	42%
11/02/76	Direct Financial Aid to Students	Article VII, Section 1	HJR 73	54,636	64,211	46%
11/07/78	Powers of Legislative Interim Committees	Article II, Section 11	SJR 18	48,078	68,403	40%
11/04/80	Legislative Annulment of Regulations	Article II, (New Section)	HJR 82	58,808	82,010	42%
11/04/80	Disqualifications of Legislators	Article II, Section 25	SJR 2	47,054	89,705	32%
11/04/80	Interim and Special Legislative Committees	Article II, Section 11	HJR 80	41,868	102,270	29%
11/04/80	Appointment and Confirmation of Members	Article III, Section 26	HJR 20	56,316	80,506	38%

CONSTITUTIONAL AMENDMENTS APPEARING ON THE BALLOT

Election Date	Subject of Amendment	Provisions Affected	Resolution Number	Vote Totals		% in favor
				For	Against	
11/02/82	Veterans' Housing Bonding Authority	Article IX, Section 8	HJR 71	111,460	69,497	62%
11/02/82	Changes in Commission on Judicial	Article IV, Section 10	HJR 32	123,172	53,424	70%
11/02/82	Limiting Increases in Appropriations	Article IX, Section 16; Article XV, Sections 26, 27 and 28	SJR 4	110,869	71,531	61%
11/06/84	Legislative Annulment of Administrative Regulations	Article II, (New Section)	HJR 5	91,171	98,855	48%
11/06/84	Limiting Length of Regular Legislative Sessions	Article II, Section 8	HJR 2 (Rules)	150,999	94,299	62%
11/04/86	Legislative Annulment of Administrative Regulations	Article II, (New Section)	SJR 40	65,176	94,299	41%
11/08/88	Resident Hiring Preference	Article I, Section 23	HJR 18	162,997	30,650	84%
11/06/90	Budget Reserve Fund	Article IX, Section 17	SJR 5	124,260	63,307	66% 66.25

Rejected by voters.

Prepared by the Legislative Research Agency, September 1992 (92.A).

WALTER J. HICKEL, GOVERNOR

**DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES**

OFFICE OF THE COMMISSIONER

3132 CHANNEL DRIVE
JUNEAU, ALASKA 99801-7898
PHONE: (907) 465-3900

TEXT TELEPHONE: (907) 465-3652
FAX NUMBER: (907) 586-8365

January 15, 1992

The Honorable Al Vezey
Chair, House State Affairs
Alaska State Representative
State Capitol
Juneau, AK 99801

Dear Representative Vezey:

Enclosed please find a fact sheet for the House State Affairs Committee's review of Executive Order 87. This bill is scheduled in your committee on Tuesday, January 19. Kit Duke the Project Manager will attend the meeting and be available to answer your questions.

If there is any additional information I can provide for you, please don't hesitate to call. Thank you for your help with this.

Sincerely,



Frank G. Turpin
Commissioner

FACILITIES MANAGEMENT MERGER

Executive Order 87

- Approximately 250 employees are expected to be involved in the merger. These are existing maintenance personnel, design and construction project managers, leasing procurement officers, and administrative support personnel.
- Approximately 90 of these personnel exist in DOT&PF now, the remainder will merge from other departments.
- No personnel are expected to relocate to another community, but about 30-40 personnel may change building location.
- A rent structure to convert existing buildings maintenance funding to rent can be developed during FY94 and implemented in FY95 budget.

According to an inventory compiled in 1989, the state owns 7.5 million square feet of space, managed and maintained by personnel in ten departments. This does not include 4.7 million square feet of space occupied by the University system, or buildings owned by the international airports or State Authorities.

The FY93 budget appropriates approximately \$65 million to perform maintenance and related operations functions for the 7.5 million square feet. An additional \$39 million is appropriated to all branches of government for lease space payments.

One time costs: An estimate for costs associated with establishing consolidated facilities management is being developed. It is expected to be less than \$200,000.

Short-term costs and long-term projected savings: If we use appropriated capital funds to reduce energy consumption, savings accrued to the operating budget can be applied to elimination of the deferred maintenance backlog and compliance with physical requirements of the ADA. In FY93 DOT/PF will hire an energy management person to work with maintenance personnel to develop a plan for reducing energy consumption in our buildings. In FY93 \$2 million was appropriated to DOT/PF for energy and code upgrade. Additional amounts are requested in the FY94 capital budget for energy management as well as for ADA compliance.

The merger will prevent additional expense to the budget. It will be less costly to comply with ADA and code upgrade requirements with consolidated management than if many agencies are each separately responsible.

Information listed below is available:

- Business Plan
- Merger Impacts Analysis
- Facility Management UPDATE (newsletter)
- Efficiency Team summary recommendations
- Research Summary: Facility Management Models
- Interim Management Plan
- Transition Workplan
- Protection of Building Assets
- FY93 budget analysis

Please contact Kit Duke (562-2728) or Katy McHugh (465-3904) for a copy of any desired document.



Welcome to the first edition of *FACILITIES MANAGEMENT UPDATE*. We will be using this newsletter routinely to bring you up to date on the merger of facilities management within state government.

Why is this merger being done? ASFA and the Governor's Efficiency Task Force have urged that a better job of asset protection and building management be done. The task force recommended consolidation of the various state buildings management functions into a single organization.

What is being done? Merging all state building management functions under single leadership; including operations and maintenance, leasing, space management and design and construction.

Who is in charge? The Commissioners of Administration and Transportation and Public Facilities were tasked with addressing this recommendation. Kit D'Arce, DOT&PF Assistant Commissioner was appointed to head up this effort. She has recruited a transition team to assist in researching and implementing the task force's recommendations. The team consists of nine individuals from six State agencies (see Page 4). We encourage you to speak with these representatives, and express your questions and concerns.

What are the goals? To maintain, manage and secure state facilities in a more cost effective and businesslike manner. Also to create a statewide perspective on state-owned facilities, their condition and what it costs to main-

tain and operate them.

When will this happen? The target date for the merger is July 1, 1993.

ENERGY MANAGEMENT

We must find the money to fund preventative maintenance. Chances are this money already exists in department budgets but is lost to inefficient mechanical systems and insufficiently insulated buildings. One of the areas we will focus on concerns the reduction of energy consumption within state-owned buildings.

The cost of basic heating, ventilation, and electrical needs are a fixed expense that if not efficiently controlled can consume a significant portion of an already strained maintenance operating budget. With existing technology and a common sense approach to conservation, relatively inexpensive modifications can be made to almost any facility that will result in eventual payback and funds to perform needed scheduled maintenance activities.

We intend to examine energy management systems including basic insulation and weather-stripping, window glazing, efficient HVAC (heating, ventilation and air conditioning) equipment, and lighting. DDC (Direct Digital Control) systems have already proven to offer substantial savings with minimal investment and such a system is capable of achieving optimum energy efficiency. Some manufacturers of DDC equipment go so far as

to offer creative financing packages whereby the purchase and installation of equipment is paid for out of energy cost savings.

WORKPLAN

To organize this effort and ensure an orderly transition, a draft workplan has been prepared. It includes 28 tasks in five emphasis areas and has been distributed to the transition team and members of the Alaska State Facilities Administrators, (ASFA). The five areas are: General Transition Issues, Employee Transfer Issues, Corporate Development Issues, Physical Plant Management Issues and Financial Issues.

WORKSHOP: 24 HOUR FACILITIES

Workshops were held November 23 and 24 with employees from the Dept. of Corrections, Health & Social Services, the Pioneer Homes and ASFA members. Guest speakers from British Columbia included Ray Parks, Facilities Manager, Ministry of Attorney General (similar to our Law & Corrections Departments) and Don Lebeter, Operations Superintendent from the British Columbia Buildings Corporation (BCBC).

Our guests were invited to explain the operations of their facilities management program. On November 24, we covered specifically how it applied to 24 hour facilities. British Columbia established their consolidated facilities management program, (British Columbia Buildings Corporation) fifteen years ago. Prior to that, facilities management was handled separately by each ministry (similar to the current state program). At the time of the merger, both guests were employed by the ministry. Since then Mr. Lebeter transferred to BCBC. Collectively, they have over 35 years of experience in corrections and fa-

cilities management .

Even though other states have merged their facilities management under similar programs, we chose the BCBC program to review in depth because of the similarities between Alaska and Canada; geographic and both have a large number of remote buildings. Those attending the workshop were able to voice concerns on how the merger would affect them, and draw on the experiences of our guest speakers. A detailed summary of issues was mailed to all participants and is available by request.

BETHEL MAINTENANCE COORDINATION PROJECT

One of the many challenges facing the new organization is the merger of existing multi-agency maintenance personnel and equipment. This project was conceived as a way to gather information on both the benefits and the problems of merging facility related resources. The project involves the departments of Corrections, Health & Social Services, Military & Veterans Affairs and Transportation & Public Facilities. Bethel was selected because of its size, the number of maintenance personnel from different agencies and the off road location.

An initial planning meeting was held in November to develop project parameters and goals. Detailed planning for the project began this month. Meetings will be held in February and the project will be underway by March 1. It will be monitored by facility managers from the agencies involved. Don Valesko, Business Manager, Local 71 is involved in the planning stages of the project as well as the progress review. Status reports will be provided in future editions of UPDATE.

DEPARTMENT TRANSITION PLANS

Each department will be asked to appoint an internal transition team, who will complete a transition plan. A transition plan outline is being developed and will be sent out in mid-January. These transition plans will provide us with department policies, budget status, financing/funding and data management of current facilities management programs. From this information, an action plan can be developed.

Development of transition plans is the first of many opportunities department program managers will have to give input to the merger.

QUESTIONS FROM YOU

1. If we transfer to the new agency, will we lose some of the benefits we now enjoy?

Employees will continue to be in the state employment system, with bargaining unit representation and will transfer to the new authority without a change in benefits.

2. Does the proposed merger involve some privatization of maintenance functions currently performed by state employees. Does this mean that some employees will lose their jobs?

We do not expect the level of maintenance workers to decrease due to the merger. There is a backlog of work, some of which may be contracted out; but it is agreed we cannot accomplish the required maintenance with fewer personnel.

3. Will the new organization require employees to relocate?

Employees will not be required to move from a community. Maintenance workers currently assigned to a facility are expected to remain reporting to and responsible for that facility. Over time, as deferred maintenance is taken care of, it is expected there will be less need for daily "crisis" response and that facilities with multiple maintenance personnel may be able to share these employees to accomplish preventative maintenance work at other facilities in a given community or region.

4. Has this new facilities organization been successful in other places?

Yes. Ex: The British Columbia Buildings Corporation, British Columbia, Canada (1977), (see related article, Page 1) and the States of Tennessee (1984) and Maryland.

5. Maintenance budgets are continually being cut to subsidize agency program needs. How will the new organization help solve this funding problem so that adequate preventative as well as emergency maintenance can be done?

Certain financial tools are necessary to ensure adequate funding. These include charging occupants rent for the use of space, a mechanism which allows us to collect and retain funding past fiscal year boundaries and a means to obtain capital for repair, replacement and code upgrade projects.

NEWS BRIEFS

- The Executive Order establishing the new organization will be submitted to the Alaska State Legislature January 11, 1993.

The Legislature has 60 days for review and action.

• Kent Crandall, P.M., DOT&PF has awarded a contract to Charles Bettisworth & Co., Inc., to complete Inventory and Condition Surveys for state buildings. The surveys will provide an across the board representative sample of state owned facilities. Results will help determine the existing condition of the state's facilities, the extent of the deferred maintenance backlog, and the funding needed to correct identified code deficiencies.

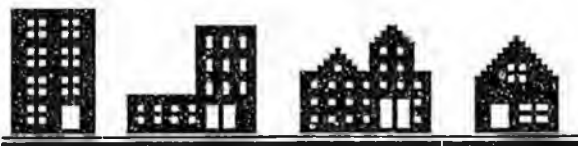
• Leann McGinnis has joined the transition team staff. She is responsible for several project communication tasks.

KIT DUKE'S MESSAGE

This merger is a major undertaking. Everyone's concern's and thoughts about making it a successful transition are important.

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Office of Management & Budget
465-3568

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276-8122

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Representative: Vacant until Feb. 1993,
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Why is this merger being done? ASFA and the Governor's Efficiency Task Force have urged that a better job of asset protection and building management be done. The task force recommended consolidation of the various state buildings management functions into a single organization.

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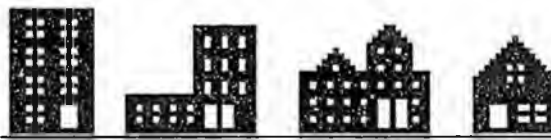
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FISCAL NOTE

No. 1
Bill Version: EO 87
(S) Publish Date: 1-11-93

Revision Date: _____ Department Affected: DOT&PF
Title: Executive Order: Consolidation of state leasing, procurement and maintenance activities for state buildings BRU:
Sponsor: Governor Component:
Requestor: Governor Component Serial Number:

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY94	FY95	FY96	FY97	FY98	FY99
OPERATING						
PERSONAL SERVICES	*	*	*	*	*	*
TRAVEL	*	*	*	*	*	*
CONTRACTUAL	*	*	*	*	*	*
SUPPLIES	*	*	*	*	*	*
EQUIPMENT	*	*	*	*	*	*
LAND & STRUCTURES	*	*	*	*	*	*
GRANTS CLAIMS	*	*	*	*	*	*
MISCELLANEOUS	*	*	*	*	*	*
TOTAL OPERATING	*	*	*	*	*	*
CAPITAL	*	*	*	*	*	*
REVENUE FUND SOURCE	*	*	*	*	*	*

FUNDING: (Thousands of Dollars)

1002 FEDERAL RECEIPTS	*	*	*	*	*	*
1003 GF MATCH	*	*	*	*	*	*
1004 GF	*	*	*	*	*	*
1005 GF PROGRAM RECEIPTS	*	*	*	*	*	*
1006 GF MHTA	*	*	*	*	*	*
OTHER	*	*	*	*	*	*
TOTAL FUNDING	*	*	*	*	*	*

POSITIONS

FULL-TIME	*	*	*	*	*	*
PART-TIME	*	*	*	*	*	*
TEMPORARY	*	*	*	*	*	*

Estimate of current year (FY93) impact: \$*

ANALYSIS: (Attach a separate page if necessary)

The reorganization of leasing, procurement and maintenance functions for state facilities will consolidate existing state responsibilities within the Department of Transportation and Public Facilities. The fiscal adjustments needed to implement this EO will be reflected in budget amendments for the Department of Administration and the Department of Transportation and Public Facilities. Detailed information reflecting all changes is being prepared by the departments.

Approximately \$31.2 million plus associated personnel and related costs will transfer from DOA to DOT/PF

Prepared by: Kat Duke
Division: Assistant Commissioner

Phone: 562-2728
Date: 1/6/93

Approved by Commissioner: Frank G. Jurpin

Phone: 465-3900

Agency: Department of Transportation and Public Facilities

Date: 1/6/93

STATE OF ALASKA
1993 LEGISLATIVE SESSION

No. 2
Bill Version: EO 87
(S) Publish Date: 1-11-93

Revision Date _____
Executive Order: Consolidation of State leasing procurement and maintenance activities for State buildings
Sponsor: Governor
Requestor: Governor

Department Affected: Administration
BRU: General Services
Component: Purchasing
COMPONENT SERIAL NO. 60

Expenditures/Revenues

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES
TRAVEL
CONTRACTUAL
SUPPLIES
EQUIPMENT
LAND & STRUCTURES
GRANTS, CLAIMS
MISCELLANEOUS
TOTAL OPERATING
CAPITAL
REVENUE
FUND SOURCE:
FUNDING
1002 Federal Receipts
1003 GF Match
1004 GF
1005 GF Program Receipts
1006 GF MHTA
OTHER
TOTAL
POSITIONS
FULL-TIME
PART-TIME
TEMPORARY

Estimate of current year (FY93) impact: \$ 0

ANALYSIS (Attach a separate page if necessary) The reorganization of leasing, procurement and maintenance functions for State facilities will consolidate existing State responsibilities within the Department of Transportation and Public Facilities. The fiscal adjustments needed to implement this Executive Order will be reflected in budget amendments for the Department of Administration and the Department of Transportation and Public Facilities. Detailed information reflecting all changes is being prepared by the departments. Approximately \$2500 in associated personnel costs will transfer from the Division of General Services to the Department of Transportation and Public Facilities

Prepared by Duane Petty, Director
Division General Services

Phone: 465-2250
Date: 1/7/93

Approved by Commissioner Nancy Bear Usher
Agency Administration

Date: 1/7/93

PREPARED TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

No. 3
Bill Version: EO 87
(S) Publish Date: 1-11-93

Revision Date: _____
Title: Executive Order: Consolidation of State leasing, procurement and maintenance activities for State buildings.
Sponsor: Governor
Requestor: Governor

Department Affected: Administration
BRU: Leasing and Facilities
Component: Leases

COMPONENT SERIAL NO. 81

Expenditures/Revenues:

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES
TRAVEL
CONTRACTUAL
SUPPLIES
EQUIPMENT
LAND & STRUCTURES
GRANTS, CLAIMS
MISCELLANEOUS
TOTAL OPERATING

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

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

FUNDING:

1002 Federal Receipts	.	.	.	.	.	.
1003 GF Match	.	.	.	.	.	.
1004 GF	.	.	.	.	.	.
1005 GF/Program Receipts	.	.	.	.	.	.
1006 GF/MHTIA	.	.	.	.	.	.
OTHER 1007 I/A Rec	.	.	.	.	.	.
TOTAL	.	.	.	.	.	.

POSITIONS:

FULL-TIME	.	.	.	.	.	.
PART-TIME	.	.	.	.	.	.
TEMPORARY	.	.	.	.	.	.

Estimate of current year (FY93) impact: \$ 0

ANALYSIS: (Attach a separate page if necessary.) The reorganization of leasing, procurement and maintenance functions for State facilities will consolidate existing State responsibilities within the Department of Transportation and Public Facilities. The fiscal adjustments needed to implement this Executive Order will be reflected in budget amendments for the Department of Administration and the Department of Transportation and Public Facilities. Approximately \$31.2 million will be transferred from the requested FY 94 Leases Component to the Department of Transportation and Public Facilities. Detailed information reflecting all changes is being prepared by the departments.

Prepared by: Dugan Pettv. Director
Division: General Services

Phone: 465-2250
Date: 1/7/93

Approved by Commissioner: Nancy Bear Userra
Agency: Administration

Date: 1/7/93

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

WALTER J. HICKEL
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 11, 1993

The Honorable Ramona L. Barnes
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Speaker Barnes:

Under the authority of art. III, sec. 23, of the Alaska Constitution, I am transmitting an Executive Order relating primarily to the leasing of space for state agencies and the allocation and maintenance of space in state facilities.

The Order transfers, from the Department of Administration (DOA) to the Department of Transportation and Public Facilities (DOT/PF), the authority to execute leases for state facilities and to allocate space among state agencies. The Order also consolidates facilities management activities of the Department of Corrections (DOC) (related to prison industries) and the Department of Health and Social Services (DHSS) (related to juvenile corrections facilities) in DOT/PF.

These transfers of authority are necessary to allow the state to manage its leasing activities consistent with the long-term management of all of its public facilities. Under existing law, DOT/PF has broad authority to plan, construct, and manage state-owned facilities. However, many state agencies are housed in buildings leased from the private sector. Under the Executive Order, the private sector will still play a critical role in providing space for state agencies. What will change is the way the state analyzes leases of space and reaches its leasing conclusions. The result will be "smarter" decisions that better consider the state's long-term needs and ensure that the state gets the best bargain for its money.

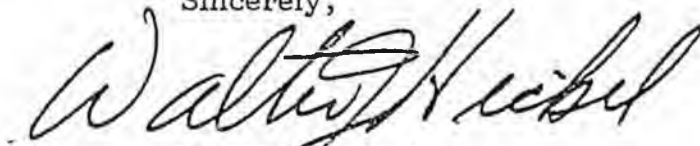
The Order also transfers to DOT/PF from DNR the disposal authority for lands acquired by DOT/PF under AS 35.20.010 - 35.20.070. This transfer is appropriate for consolidated facilities management because it enhances the state's ability, without increased administrative expense, to participate in modern leasing mechanisms. Under the Order, one agency, DOT/PF, will be responsible for land acquisition for public facilities and for procurement of the facilities, either through construction or leasing. Under one common technique for leasing

The Honorable Ramona L. Barnes
January 11, 1993
Page 2

buildings, the lessee conveys land to a developer, who constructs a building that the lessee then occupies under a lease/purchase agreement. Under existing authority, the state could use this technique only if DOT/PF acquired the land, DOA selected the lessor, and DNR conveyed interests in the land to the developer. This process is greatly simplified under the Order and will enable this type of conveyance to occur in a timely fashion at reduced cost, while still protecting the public interest.

The transfers made by this Executive Order will consolidate and streamline the state's facilities management activities. These transfers further the public interest and lead to a more intelligent use of the state's financial resources.

Sincerely,

A handwritten signature in cursive script, reading "Walter J. Hickel". The signature is written in dark ink and is positioned above the printed name and title.

Walter J. Hickel
Governor

WALTER J. HICKEL, GOVERNOR

**DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES**

OFFICE OF THE COMMISSIONER

3132 CHANNEL DRIVE
JUNEAU, ALASKA 99801-7898
PHONE: (907) 465-3900

TEXT TELEPHONE: (907) 465-3652
FAX NUMBER: (907) 586-8365

January 15, 1992

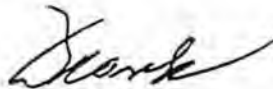
The Honorable Al Vezey
Chair, House State Affairs
Alaska State Representative
State Capitol
Juneau, AK 99801

Dear Representative Vezey:

Enclosed please find a fact sheet for the House State Affairs Committee's review of Executive Order 87. This bill is scheduled in your committee on Tuesday, January 19. Kit Duke the Project Manager will attend the meeting and be available to answer your questions.

If there is any additional information I can provide for you, please don't hesitate to call. Thank you for your help with this.

Sincerely,



Frank G. Turpin
Commissioner

FACILITIES MANAGEMENT MERGER

Executive Order 87

- Approximately 250 employees are expected to be involved in the merger. These are existing maintenance personnel, design and construction project managers, leasing procurement officers, and administrative support personnel.
- Approximately 90 of these personnel exist in DOT&PF now, the remainder will merge from other departments.
- No personnel are expected to relocate to another community, but about 30-40 personnel may change building location.
- A rent structure to convert existing buildings maintenance funding to rent can be developed during FY94 and implemented in FY95 budget.

According to an inventory compiled in 1989, the state owns 7.5 million square feet of space, managed and maintained by personnel in ten departments. This does not include 4.7 million square feet of space occupied by the University system, or buildings owned by the international airports or State Authorities.

The FY93 budget appropriates approximately \$65 million to perform maintenance and related operations functions for the 7.5 million square feet. An additional \$39 million is appropriated to all branches of government for lease space payments.

One time costs: An estimate for costs associated with establishing consolidated facilities management is being developed. It is expected to be less than \$200,000.

Short-term costs and long-term projected savings: If we use appropriated capital funds to reduce energy consumption, savings accrued to the operating budget can be applied to elimination of the deferred maintenance backlog and compliance with physical requirements of the ADA. In FY93 DOT/PF will hire an energy management person to work with maintenance personnel to develop a plan for reducing energy consumption in our buildings. In FY93 \$2 million was appropriated to DOT/PF for energy and code upgrade. Additional amounts are requested in the FY94 capital budget for energy management as well as for ADA compliance.

The merger will prevent additional expense to the budget. It will be less costly to comply with ADA and code upgrade requirements with consolidated management than if many agencies are each separately responsible.

Information listed below is available:

- Business Plan
- Merger Impacts Analysis
- Facility Management UPDATE (newsletter)
- Efficiency Team summary recommendations
- Research Summary: Facility Management Models
- Interim Management Plan
- Transition Workplan
- Protection of Building Assets
- FY93 budget analysis

Please contact Kit Duke (562-2728) or Katy McHugh (465-3904) for a copy of any desired document.

Facilities Management



UPDATE

Volume 1, No. 1 January 1993

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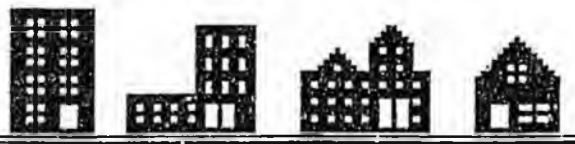
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Dept. of Transportation/Public Fac.
465-4045

Jim Little, Buildings Maintenance Mgr.,
Dept. of Transportation/Public Fac.
451-2203

Boyd Brownfield, Director, D&C,
Dept. of Transportation/Public Fac.
266-1500

Dugan Petty, Director, GS&S,
Dept. of Administration, Leasing
465-2250

Representative: Vacant until Feb. 1993,
Administrative Directors Group

HB

14

CORRECTION

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TO ASSURE LEGIBILITY**



RECORDS CERTIFICATION



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Jerry Duncan
Signature of Camera Operator

10/1/97
Date

HB

14

HOUSE COMMITTEE REPORT

(7)

Date Referred: January 11, 1993

FURTHER REFERRALS:

State Affairs
Finance

Date of Committee Action: 4/14/93

The LABOR AND COMMERCE Committee considered:

HB 14

HOUSE BILL NO. 14

APPROP: BIDCO FUND

"An Act making an appropriation for capitalization of the BIDCO fund; and providing for an effective date."

RECOMMENDATIONS:

be replaced with CS HB 14 the same title

a new title

have attached amendments(✓)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact Revenue

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) _____

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>De Sitter</i>	✓	<i>Quinn-DiGiovanna</i>		✓	
<i>SM</i>	✓	<i>Joseph D. ...</i>		✓	
<i>William</i>	✓				
<i>Bill Hudson</i>	✓				

Bill Hudson
CHAIRMAN'S SIGNATURE

ALASKA STATE LEGISLATURE

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FAX: (907) 561-1691

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UNIVERSITY CENTER
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(907) 465-3875
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MINORITY WHIP
CHAIR
CHILDREN'S CAUCUS
HEALTH, EDUCATION
& SOCIAL SERVICES
STATE AFFAIRS
ECONOMIC TASK
FORCE

REPRESENTATIVE BETTYE DAVIS
DISTRICT 21

MEMORANDUM

TO: REP. BILL HUDSON, CHAIR
HOUSE LABOR & COMMERCE COMMITTEE

FR: REP. BETTYE DAVIS *BD*

DT: MARCH 13, 1993

RE: SCHEDULING OF HB 14

I respectfully request that HB 14, "An Act making an appropriation for the capitalization of the BIDCO" be scheduled at your earliest convenience. I have attached a copy of the bill, sponsor statement and pertinent background information for your review.

If you have any questions, please feel free to contact me or Renee Chatman of my staff at x3875. Thank you.



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& SOCIAL SERVICES
STATE AFFAIRS
ECONOMIC TASK
FORCE

REPRESENTATIVE BETTYE DAVIS
DISTRICT 21

SPONSOR STATEMENT

House Bill 14- 'Making an appropriation for capitalization of the BIDCO program. '

Last year, I sponsored legislation creating Business Development Industrial Corporations (BIDCOs) in Alaska. BIDCOs, modeled after a successful Michigan program, provide financing, management and technical assistance to small to medium-sized business, with an emphasis on minority and rural businesses. They address a gap for companies with financing needs that are deemed too risky for traditional bank lending, but do not provide the potential for high rates of return sought by traditional venture funds. This bill was signed into law on June 25, 1992.

HB 14 appropriates \$10 million dollars from the earnings reserve of the Alaska Science and Technology endowment to initially fund the BIDCO fund.

In an effort to encourage capital sources to invest and lend money to BIDCOs, the program will be licensed and regulated by the Department of Commerce. This system is designed to prevent fraud, conflict of interest and mismanagement, and to promote competent management, accurate record keeping and appropriate communication with shareholders. In addition, the Alaska Science and Technology program will help assist BIDCOs in raising substantial private investment.

BIDCO's are one of the best opportunities for growth and expansions of small, rural and minority businesses in Alaska. I hope you will join me in support of capitalizing this important economic program.



HOUSE BILL NO. 14
 IN THE LEGISLATURE OF THE STATE OF ALASKA
 EIGHTEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES B.DAVIS, Brown

Introduced: 1/11/93

Referred: Labor & Commerce, State Affairs, Finance

Funding Information:	General Fund	\$	-0-
	Other Funds		<u>10,000,000</u>
			\$10,000,000

A BILL

FOR AN ACT ENTITLED

1 "An Act making an appropriation for capitalization of the BIDCO fund; and
 2 providing for an effective date."

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

4 * Section 1. The sum of \$10,000,000 is appropriated from the earnings reserve of the
 5 Alaska science and technology endowment to the BIDCO fund (AS 37.17.210) for
 6 capitalization of the fund.

7 * Sec. 2. The appropriation made by this Act is for capitalization of an assistance fund and
 8 does not lapse.

9 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

FISCAL NOTE

STATE OF ALASKA
 1993 LEGISLATIVE SESSION

BILL NO. HB 14

Revision Date: _____ Dept. Affected: Department of Revenue
 Title: Appropriation for Capitalization of the BIDCO Fund BRU: AK Science & Technology Foundation
 Component: _____
 Sponsor: Bettye Davis
 Requestor: Bettye Davis COMPONENT SERIAL NO. 1009

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS	10,000.00					
TOTAL OPERATING	10,000.00					

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

REVENUE FUND SOURCE:	10,000.00					
----------------------	-----------	--	--	--	--	--

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA 1025/51375						
Other SCI/TECH Endowment Income	0.00					
TOTAL	0.00					

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) Impact: \$ N/A

ANALYSIS: (Attach a separate page if necessary)

While the bill appropriates \$10 million from ASTF income—there are and will be insufficient funds to fund this appropriation from ASTF earnings.

Prepared by: Paula Rasmus-Dede Phone: (907) 272-4333
 Division: AK Science & Technology Foundation Date: 3/5/93
 Approved by Commissioner: [Signature] Date: 2/11/93
 Agency: Department of Revenue

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Analysis

Assumptions: That the appropriation of \$10 million from fund 1025/51375 will not severely impact the operations and granting capability of ASTF. This is not the case. ASTF projects an estimated balance on July 1, 1993, of between \$3.5 million and \$5 million. The FY94 ASTF grants and operating budget is \$9,609,000. The projected income on the ASTF endowment in FY94 is \$7 million to \$8 million. This amount is adequate to fund the operations and grants of ASTF for FY94.

This presumes that no other appropriations are made from the endowment earnings other than those requested for ASTF operating and grants and that the ASTF endowment, upon which interest income is dependent is not reduced from its current level of \$101,037,000.

There are currently other bills pending which would appropriate funds from the ASTF endowment earnings.

Program Summary

1. This fiscal note does not fund any additional positions.
2. This fiscal note does not justify major expenditure items.
3. The \$10 million from the earnings of the ASTF endowment will exceed the available funds. Using the high projections supplied by the Alaska Permanent Fund Corporation ASTF will have \$5 million in interest income available on July 1, 1993. The high projection for earnings on the ASTF endowment for FY94 is \$8 million. This results in a total interest income of \$13 million through FY94. The ASTF FY94 budget request for operating and grants expenses is \$9,609,000 this would have an appropriate balance of \$3,391,000 in interest income generated through FY94.

There are currently other bills pending which would appropriate funds from ASTF endowment earnings, further depleting endowment earnings and the interest earning capabilities of ASTF.

4. **Section Cost Analysis**—The total cost of HB14 is \$10,000,000 plus interest income generated on the \$10 million.

Economic Impact—This appropriation would seriously impact the Alaska Science and Technology Foundation. The potential impact would be that ASTF could not award grants in FY94, the basic mission of the foundation, and the current operating expense of the foundation would be seriously jeopardized.

ALASKA STATE LEGISLATURE

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CHILDREN'S CAUCUS

REPRESENTATIVE BETTYE DAVIS

DISTRICT 14 SEAT B • EAST ANCHORAGE • MULDOON

S P O N S O R S T A T E M E N T

I appreciate the opportunity to address this committee regarding Committee Substitute for Sponsor Substitute for HB 536.

CSSSHB 536 is an important step in implementing a new approach to promoting economic development by helping to create a more comprehensive and effective private business financing infrastructures. The bill would make possible the creation in Alaska of a new type of licensed and regulated private financial institutions, called Bidcos. The bill is modeled after a program in Michigan which has already resulted in the create of an industry of 9 Bidcos in that state, with others in the process of being formed.

Bidcos provide financing assistance and management assistance to businesses, especially small and medium-sized businesses. They are organized to address a gap for companies with financing needs that are too risky for bank lending, but do not provide the potential for super high rates of return sought by traditional venture funds.

Banks normally finance businesses by providing straight loans, normally with interest rates not exceeding several percentage points above prime. Venture capital funds typically make equity investment in companies with explosive growth potential and the potential to go public or be acquired within 5 years. This gives the venture capital fund the opportunity to share, expeditiously and to a high degree, in the upside success of its portfolio companies. By contrast, Bidcos typically invest in companies in the form of subordinated debt, receiving current interest income, and they compensate for the risk they take by sharing, to a modest degree, in the upside success of a company through a revenue participation or warrants.

The Polaris Fund, which has one of its offices in Alaska, is a good example of a traditional venture capital fund. The Polaris Fund's brochure indicates that its purpose is to provide equity capital to young companies, and states that when the fund invests in a company, the fund seeks, as a minimum objective, 10 times its money back within 5 years. The Polaris Fund provides an



important potential source of capital for high risk equity investments in companies with explosive growth potential. Nevertheless, this type of company is a very small part of the market.

Bidcos are designed to address a different part of the market. Bidcos invest in family-owned or closely held companies with good growth potential and the potential to provide a good return to their investor, but which are not likely to grow so rapidly as to go public or be acquired and provide the kinds of returns sought by traditional venture capital funds.

The first part of CSSSHB 536 provides a system for the Department of Commerce and Economic Development to license and regulate one or more Bidcos. This is modeled after Michigan's licensing and regulation statute for Bidcos. The licensing and regulation system is designed to encourage capital sources to invest in and lend money to Bidcos because they can take comfort in the fact that they are investing in or lending to a licensed and regulated, private financial institution. The system of licensing, regulation and enforcement is designed to prevent fraud, conflict of interest, and mismanagement, and to promote competent management, accurate record keeping, and appropriate communication with shareholders.

To obtain a license, a Bidco must satisfy various standards relating to the competency and good character of its officers and directors, the adequacy of its business plan, and the sufficiency of its capitalization. Once licensed, a Bidco is subject to annual examinations by the Department, with the Department having a enforcement mechanisms such as cease and desist orders to correct violations or stop unsafe or unsound acts.

The second part of the bill provides for a program whereby the Alaska Science and Technology Foundation would provide financial assistance to help catalyze the formation of one or more Bidcos in Alaska. This program is similar to a program implemented in Michigan by a state agency called the Michigan Strategic Fund.

The financial assistance provided by the Alaska Science and Technology Foundation would help capitalize the Bidco and would assist the Bidco in raising substantial private investment. The Foundation's assistance would be in the form of a loan to the Bidco, and would use a formula whereby the principal and interest owed by the Bidco to the Foundation could be reduced, in accordance with the performance of the Bidco in financing business in Alaska which actually create jobs and increase their sales. The Foundation is instructed by the bill to implement the program in a manner designed to encourage the provision of financing by Bidcos to businesses throughout the state, and to provide special incentives to encourage the inclusion of financings for businesses located in distressed areas, including distressed rural areas, and the financing of minority-owned businesses.

New financing mechanism for small business should fill gap

By Esse Ragsdale
Alaska Journal of Commerce

Alaska has stepped to the forefront of states adopting a new creative financing strategy for helping small businesses solve chronic money troubles without resorting to direct funding.

The financing mechanism, known as a "Bidco," was shepherded through the final days of the 1992 legislative session by its lone sponsor, Rep. Bettye Davis, D-Anchorage.

One Hickel administration official described the new Bidco law, HB536, last week as one of the most revolutionary steps the state has ever taken to encourage business growth.

Modeled after a wildly successful program in Michigan, the Alaska statute calls for a program that enables the creation of one or more private financial institutions that earn their daily bread lending money to viable small businesses banks deem too risky.

"The Bidco is the result of the state and the private sector doing business together because Bidcos are privately run with some state funding," said Davis in an interview. "It's one step below bank financing. It's standards are lower for borrowers so its risks are higher."

Proponents say an Alaska Bidco would provide the opportunity for growth and expansion for "mom and pop" businesses and fill the gap between seed capital and bank financing for startup companies.

The Alaska Department of Commerce and Economic Development, which will oversee the licensing and regulation of Bidcos, is currently designing the struc-



Photo by Margaret Bauman

Rep. Bettye Davis, D-Anchorage

ture of the program with the help of Alaska Science and Technology Foundation officials.

The law calls for the new program to encourage the creation of institutions that meet the borrowing needs of minorities and rural Alaskans as well as the general business community while earning as much as 25 percent annual return on its investments.

The Bidcos typically target family-owned or closely held companies with

Continued on Page 7

Mammoth owner faces federal payroll tax trial

By Margaret Bauman
Alaska Journal of Commerce

A California businessman who owned two Alaska trucking firms was to go on trial today on a 101-count indictment involving alleged failure to pay federal payroll taxes totaling \$4.7 million.

Donald C. Klein was indicted May 1 by a federal grand jury in Fresno, Calif., on 49 counts of failing to account for and pay employee withholding taxes, 49 counts of filing false quarterly payroll tax returns and three counts of making false statements to the Internal Revenue Service.

Klein was arrested May 1 and freed on \$50,000 bond, the U.S.

Attorney's office said.

Klein was identified in the indictment as an officer of Mammoth of Alaska, Inc., Progressive Transport, Inc., Mammoth of California, Inc., doing business as Mammoth Freight Lines, and Kandl Co., Inc. Bill Almeida, also of Fresno, and an owner of Mammoth, was not named in any of the indictments, according to the U.S. Attorney's office.

Klein went to prison in 1989 after pleading guilty to two

counts of filing false tax forms. He served two years of a four-year sentence before being paroled.

Almeida and Klein began operating in Anchorage as Mammoth of Alaska in the 1970s.

Almeida, 63, who was in Anchorage June 12 when employees of Mammoth of Alaska and Progressive Transport received their final paychecks, never mentioned Klein's troubles with authorities. He blamed deregulation of the trucking industry for much of the firm's

Donald C. Klein was indicted by a federal grand jury on 49 counts of failing to account for and pay employee withholding taxes...

troubles.

"I fought it for the last 12 years. They regulated the cost of transportation out of the hands of trucking people ... and put no rules on transportation, so now the shipper makes the prices," he said.

Almeida said he opened the doors of Mammoth of Alaska in 1973 at the invitation of Fluor Alaska. "Our best years were 1974 to about 1977," he said. The years 1978 through 1981 provided a difficult pe-

Continued on Page 2

Bettye Davis guides Legislature to Bidco funds

Continued from Page 1

good growth prospects and the potential to provide a good return to investors but are not likely to grow rapidly enough to attract the attentions of venture capitalists such as the Polaris Fund.

"This is not a cheap money program. A Bidco loan might be prime plus 2 percentage points, but if the company succeeds, the return could grow to 20 percent to 25 percent," said Steve Rohde, a Washington, D.C.-based finance consultant who designed the Michigan program and assisted Davis in designing the legislation. "By contrast, a venture capital firm would expect a 50 percent to 60 percent return on a compounded basis."

Once the nuances of the program's structure are resolved, the state plans to request proposals from the private sector to establish a licensed, regulated Bidco. The entity likely will resemble its Michigan predecessors, which provide subordinated loans to businesses and compensate for the extra risk by participating in the upside success of their borrowers through revenue participation or warrants.

The key to Bidcos is they also provide expert management assistance along with the money to borrowers that enables them to grow, proponents say.

"It fills a technical knowledge gap. It's called 'smart money' and there's not much of that in Alaska," said John Sibert, executive director of AS&TF. "Often just getting money is dangerous for startup companies. Money that brings with it expertise is good for business."

The potentially powerful concept of Bidcos would have fizzled in Juneau this year without the hard work and political savvy of Davis, say Sibert and others, including Kaleem Nuriddin, vice president of the African American Business Council.

The Council had promoted the idea

of Bidcos for several years without much success until they took their case to Davis, who heretofore was known for championing education and children's issues.

"I think this is important for small business in Alaska, but Rep. Davis did the work and she deserves the credit," Nuriddin said.

Davis said Sibert also helped her draft the bill with input from the Michigan experts, and despite numerous efforts to interest fellow House members in the legislation, none joined her as a co-sponsor. Still, she managed to get cooperation from several committee heads who either moved it out of their committees or waived it on to the next step in the legislative process. When the bill came to the House floor, 33 lawmakers voted for it, three were off the floor and two, Rep. Eugene Kubina, D-Valdez, and Rep. Mike Navarre, R-Kenai, voted against it.

On the Senate side, Davis said she picked up support from Sen. Arliss Sturgulewski, R-Anchorage, and several others. But she only had five days to get the bill through the Senate.

"So I went to Sen. Drue Pearce, R-Anchorage, who was chairman of the Labor & Commerce Committee, and she advised me to go to the Senate Finance Committee for a waiver because her committee planned to pass the bill," Davis said. "But when it reached the Senate floor, they made a change, and it went back to the House and didn't come up for a vote until 20 minutes before midnight on the closing day of the session."

Davis said getting the bill through the Legislature was a close call, but she learned that talking to both sides throughout the session rather than discounting political opponents can pay off.

"People said Sen. Rick Halford, R-Chugiak, was difficult, but if and he was very helpful even though he is a

Republican," she said. "They called me superwoman, but it was just a matter of not giving up and doing the work needed to make it happen."

Davis said her goal now is to help find \$10 million to initially fund the Bidco program by next year and ultimately to work for its growth to a \$100 million lending mechanism.

Michigan's program, so far, has invested \$21 million of state money in its 10 Bidcos, which have attract \$35 million from private investment, said Rohde, a partner in Hansen, McQuat, Hamrin & Rohde in Washington, D.C. An 11th Bidco is now being created in Michigan.

"It is important to understand that the state does not control the investment," Rohde said. "Bidcos are private lenders. It is a way for the state to tap into private capital and talent, and it adds a strong element of market discipline. Bidcos become to some degree partners in the companies they invest in."

To obtain a license, a Bidco must satisfy various standards relating to the competency and good character of its officers and directors, the adequacy of its business plan and the sufficiency of its capitalization. Once licensed, a Bidco is subject to annual examination by the Commerce Department, with the Department having an enforcement mechanism such as cease and desist orders to correct violations or stop unsafe or unsound acts.

The second part of the bill provides for AS&TF to provide financial assistance to help catalyze the formation of the Bidcos. The Foundation's assistance would be in the form of a loan to the Bidco, and would use a formula whereby the principal and interest owed by the Bidco to the Foundation could be reduced, in accordance with the performance of the Bidco in financing business in Alaska which actually create jobs and increase sales.

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George H. Cline
President

AIDEA looks to rural areas

By the Alaska Journal of Commerce

Areas far from the major centers of Alaska commerce are expected to benefit from two recent moves by the Alaska Industrial Development and Export Authority.

AIDEA board members voted unanimously at a recent meeting to approve resolutions directing AIDEA staff to work with two other state agencies to develop regulations and a detailed business and operating plan to provide loan guarantees in rural areas.

The move supports state Senate legislation establishing a rural economic development initiative fund. Senate Bill 238, a legislative priority of Gov. Walter J. Hickel, passed both houses unanimously.

The fund shares a common mission with AIDEA and our business assistance program, said William "Riley" Snell, acting executive director of AIDEA. "They share mutual goals to provide financing assistance to rural businesses, to create private sector

mately \$2.5 million in rural financing with AIDEA's participation as a guarantor of private sector financing.

"An AIDEA investment into the fund may possibly be a lower risk that investing in a shopping center in an urban area," said Ron Garzini, assistant commissioner of the Department of Commerce and Economic Development. "Rural areas are not as affected by fluctuations in the oil industry as are urban areas."

AIDEA's business loan guarantee program, including a streamlined approval program for unsecured loans of \$50,000 or less, has been underutilized.

"We asked the Legislature to make changes to the program to encourage banks to use it to assist new or rural business," Snell said. Senate Bill 226, signed into law this spring, raised the limit for unsecured loan guarantees from \$50,000 to \$75,000 and made modifications to the interest rate provisions.

"Our purpose is not to take business away from financial institutions,"



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LAWS OF ALASKA

1992

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Chapter No.
133

AN ACT

Relating to certain business development corporations.

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

THE ACT FOLLOWS ON PAGE 1

Approved by the Governor: June 25, 1992
Actual Effective Date: September 23, 1992

AN ACT

1 Relating to certain business development corporations.

2

3

4 * Section 1. AS 10 is amended by adding a new chapter to read:

5

CHAPTER 13. BIDCOS.

6

ARTICLE 1. PURPOSES AND LICENSING.

7

Sec. 10.13.010. PURPOSES. The purposes of this chapter are to

8

9 (1) promote economic development by encouraging the formation of one or more
10 BIDCOs to help meet the financing assistance and management assistance needs of businesses
11 in the state;

12

13 (2) establish a system of licensing, regulation, and enforcement to enable a
14 BIDCO to satisfy the eligibility requirements for participating in programs that further the
15 purposes of the BIDCO;

16

(3) encourage capital sources to invest in and lend money to BIDCOs by
providing for BIDCOs a system of licensing, regulation, and enforcement designed to prevent

Chapter 133

1 fraud, conflict of interest, and mismanagement, and to promote competent management, accurate
2 record keeping, and appropriate communication with shareholders;

3 (4) safeguard the general reputation of BIDCOs in order to increase the
4 confidence of prospective equity investors in and prospective debt sources for BIDCOs.

5 Sec. 10.13.020. QUALIFICATIONS FOR BIDCO LICENSE. The department shall issue
6 a license to operate as a BIDCO to a corporation that is incorporated under AS 10.06, or that has
7 been issued a certificate of authority under AS 10.06 to transact business in the state, and that
8 submit an application to the department, if the department determines that

9 (1) the applicant has the net worth required under AS 10.13.040;

10 (2) the directors, officers, and controlling persons of the applicant satisfy the
11 criteria under AS 10.13.050:

12 (3) it is reasonable to believe that the corporation will comply with this chapter;

13 (4) the applicant has a reasonable promise of being a viable, ongoing BIDCO,
14 satisfying the basic objectives of the corporation's business plans, and achieving long-term
15 financial success.

16 Sec. 10.13.030. APPLICATION PROCEDURE. When applying for a license, an
17 applicant shall provide the information required by the department in the form required by the
18 department. The information must include information on the directors, officers, and controlling
19 persons of the applicant, the applicant's business plan, including at least 10 years of detailed
20 financial projections and other relevant information, and additional information considered
21 relevant by the department.

22 Sec. 10.13.040. REQUISITE NET WORTH. (a) In order to receive a license, an
23 applicant must demonstrate to the satisfaction of the department that the applicant has raised
24 sufficient capital so that

25 (1) the net worth of the BIDCO is expected to be adequate, in the context of its
26 business plan, to support the BIDCO's management team and to achieve an appropriate spreading
27 of the risk involved in the BIDCO's provisions of financing assistance; and

28 (2) the BIDCO has a reasonable promise of being a viable, ongoing BIDCO,
29 satisfying the basic objectives of its business plan and achieving long-term financial success.

30 (b) Unless the BIDCO receives a loan under AS 37.17.200 - 37.17.390, the department
31 may not establish a minimum net worth for a BIDCO under this section of less than \$1,500,000.

1 If the BIDCO, as part of its initial capitalization, receives a loan under AS 37.17.200 - 37.17.390,
 2 the minimum net worth of the BIDCO may be \$500,000, excluding organization costs paid for
 3 or owed by the BIDCO.

4 Sec. 10.13.050. CRITERIA FOR DIRECTORS, OFFICERS, AND CONTROLLING
 5 PERSONS. (a) A license may only be issued if the department determines that each director,
 6 officer, and controlling person of the applicant is

- 7 (1) of good character and sound financial standing;
- 8 (2) competent to perform the director's or officer's functions for the applicant;
- 9 and
- 10 (3) when considered collectively with the other directors, officers, and controlling
- 11 persons, adequate to manage the business of the applicant as a BIDCO.

12 (b) The department may determine that a director, officer, or controlling person of an
 13 applicant is not of good character. Bases the department may use to make that determination
 14 include proof that the director, officer, or controlling person, or a director or officer of a
 15 controlling person has

- 16 (1) had an administrative sanction imposed under 31 U.S.C. 3801 - 3812 (Program
- 17 Fraud Civil Remedies Act of 1986) for an offense under 15 U.S.C. 645; or
- 18 (2) been convicted of a crime involving fraud or dishonesty, including a
- 19 conviction for an offense under 15 U.S.C. 645; in this paragraph, "conviction" includes a
- 20 conviction based on a guilty plea or plea of nolo contendere.

21 Sec. 10.13.060. DETERMINATION OF FUTURE NONCOMPLIANCE. The department
 22 may determine that it is not reasonable to believe that an applicant would comply with this
 23 chapter if licensed. Bases the department may use to make that determination include proof that
 24 the applicant has been convicted of a crime involving fraud or dishonesty, including a conviction
 25 based on a guilty plea or plea of nolo contendere.

26 Sec. 10.13.070. DENIAL OF APPLICATION. If the department denies a license the
 27 department shall provide the applicant with a written statement explaining the reasons for the
 28 denial.

29 Sec. 10.13.080. DISPLAY OF LICENSE. A licensee shall post the license in a
 30 conspicuous place in the licensee's principal office.

31 Sec. 10.13.090. TRANSFER OR ASSIGNMENT OF LICENSE PROHIBITED. A

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1 licensee may not transfer or assign its license.

2 Sec. 10.13.100. SURRENDER OF LICENSE. (a) Upon approval by a two-thirds vote
3 of its board of directors and after complying with (b) and (c) of this section, a licensee may apply
4 to the department to have the department accept the surrender of the licensee's license. If the
5 department determines that the requirements of this section have been satisfied, the department
6 shall approve the application unless the department determines that the purpose of the application
7 is to evade a current or prospective action by the department under AS 10.13.700 - 10.13.830.

8 (b) Not less than 60 days before filing an application under (a) of this section, a licensee
9 shall notify all of its shareholders and creditors of its intention to file the application. Each
10 creditor shall be notified of the right to comment to the department. Each shareholder shall be
11 notified of the right to file with the licensee an objection to the proposed surrender of the license
12 within the 60-day period and shall be advised that, if the shareholder files an objection, the
13 shareholder may also send a copy of the objection to the department.

14 (c) If shareholders representing 20 percent of the outstanding voting securities of the
15 licensee file an objection with the licensee, the licensee may not proceed with the application
16 unless the application is approved by a vote of shareholders representing two-thirds of the
17 outstanding voting securities of the licensee.

18 ARTICLE 2. CORPORATE MATTERS.

19 Sec. 10.13.120. CORPORATE NAME. (a) The corporate name of a licensee must
20 include the word "BIDCO" or "Bidco." A licensee may not transact business under a name other
21 than its corporate name.

22 (b) Before being issued a license, a corporation that proposes to apply for a license or
23 that applies for a license may perform, under a name that indicates that the corporation is a
24 corporation licensed under this chapter, the acts necessary to apply for and obtain a license and
25 otherwise prepare to begin business as a licensee. The corporation may not represent that it is
26 a licensee until after the license has been obtained.

27 Sec. 10.13.130. BOARD OF DIRECTORS. (a) The board of directors of a licensee
28 must have at least seven directors.

29 (b) The board of directors shall hold at least one meeting each calendar quarter.

30 Sec. 10.13.140. NOTICE OF OFFICER AND DIRECTOR CHANGES. Within 30 days
31 of each of the following events, the licensee shall notify the department in writing of the event

1 and provide any additional information that the department requires:

- 2 (1) the death, resignation, or removal of a director or officer;
- 3 (2) the election of a director; or
- 4 (3) the appointment of an officer.

5 Sec. 10.13.150. DIVIDENDS. (a) A licensee may not pay or obligate itself to pay a
6 cash dividend or dividend in kind to the licensee's shareholders unless the payment is consistent
7 with a dividend policy that has been adopted by the licensee and approved by the department.

8 (b) When approving dividend policies under this section, the department shall consider
9 the special characteristics of BIDCOs and the diverse range of dividend policies that are
10 potentially appropriate for a BIDCO, without allowing the licensee to engage in unsafe or
11 unsound acts that could threaten the viability of the licensee as an ongoing BIDCO by eroding
12 its capital base.

13 (c) The department may at any time withdraw a previous approval of a dividend policy
14 if the department determines that the withdrawal is necessary to prevent unsafe or unsound acts.

15 Sec. 10.13.160. STOCK BUY-BACK. A licensee may not buy back or obligate itself
16 to buy back a share of equity interest from a shareholder without the prior approval of the
17 department.

18 ARTICLE 3. TRANSACTION OF BUSINESS.

19 Sec. 10.13.170. OFFICES. (a) A licensee shall maintain at least one office in this state.

20 (b) A licensee may not maintain an office outside this state.

21 (c) The location of each office of a licensee must be reasonably accessible to the public.

22 (d) A licensee shall post in a conspicuous place at each of the licensee's offices a sign
23 that bears the corporate name of the licensee.

24 (e) If a licensee establishes, relocates, or closes an office, the licensee shall give the
25 department written notice within 30 days of the event.

26 Sec. 10.13.180. BUSINESS OF LICENSEE. A licensee may not engage in a business
27 other than providing financing assistance and management assistance to businesses.

28 Sec. 10.13.190. GENERAL POWERS. In addition to the other powers given by this
29 chapter and the powers conferred on the licensee by the laws under which it is incorporated that
30 are not inconsistent with this chapter, a licensee may

- 31 (1) borrow money and otherwise incur indebtedness for the licensee's purposes,

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1 including the issuing of corporate bonds, debentures, notes, and other evidence of indebtedness;
2 a licensee's indebtedness may be secured or unsecured, and may involve equity features,
3 including provisions for conversion to stock and warrants to purchase stock;

4 (2) make contracts;

5 (3) incur and pay necessary and incidental operating expenses;

6 (4) purchase, receive, hold, lease, acquire, sell, convey, mortgage, pledge, or
7 otherwise acquire or dispose of real or personal property, and the rights and privileges that are
8 incidental and appurtenant to the transactions, if the real or personal property is for the licensee's
9 use in operating the licensee's business or if the real or personal property is acquired by the
10 licensee from time to time in satisfaction of debts or the enforcement of obligations;

11 (5) make donations for charitable, educational, research, or similar purposes;

12 (6) provide financing assistance and management assistance to businesses and
13 establish the terms and conditions of the assistance;

14 (7) implement a reasonable and prudent policy for conserving and investing the
15 licensee's money before the money is used to provide financing assistance to businesses or to pay
16 the expenses of the licensee;

17 (8) exercise the incidental powers that are necessary, convenient, or reasonably
18 related to providing financing assistance and management assistance to businesses.

19 Sec. 10.13.200. FINANCING ASSISTANCE FORM, TERMS, AND CONDITIONS. A
20 licensee may determine the form, terms, and conditions for the financing assistance that it will
21 provide.

22 Sec. 10.13.210. FINANCING ASSISTANCE ALLOWED. The financing assistance that
23 a licensee may provide includes

24 (1) loans;

25 (2) purchase of debt instruments;

26 (3) straight equity investments including the purchase of common stock or
27 preferred stock;

28 (4) debt with equity features including warrants to purchase stock, convertible
29 debentures, or receipt of a percent of net income or sales;

30 (5) royalty-based financing;

31 (6) debt guarantees;

1 (7) property leasing.

2 Sec. 10.13.220. PARTICIPATION IN GOVERNMENTAL PROGRAMS. (a) A licensee
3 may participate in a federal, state, or local government program for which the licensee is eligible
4 and that has as the program's function the provision or facilitation of financing assistance or
5 management assistance to businesses.

6 (b) If a licensee participates in a program referred to in (a) of this section, the licensee
7 shall comply with the requirements of the program.

8 Sec. 10.13.230. SCOPE OF MANAGEMENT ASSISTANCE. When providing
9 management assistance, a licensee may provide management advice, management services,
10 technical advice, and technical services.

11 Sec. 10.13.240. LIMITATION TO PURPOSES OF BUSINESS. Financing assistance
12 and management assistance provided by a licensee to a business may only be for the business
13 purposes of the business.

14 Sec. 10.13.250. CONTROL OF OTHER BUSINESSES. A licensee may not hold control
15 of another business, except as provided under AS 10.13.260 - 10.13.280. In this section,
16 "licensee" includes the licensee in concert with a director, officer, controlling person, or affiliate
17 of the licensee.

18 Sec. 10.13.260. CONTROL OF ASSISTED BUSINESS. (a) A licensee that has
19 provided financing assistance to a business may acquire and hold control of the business to the
20 extent it becomes necessary to protect the licensee's interest as a creditor of, or investor in, the
21 business.

22 (b) Unless the department approves a longer period, a licensee holding control of a
23 business under this section shall divest itself of the control as soon as practicable, or within five
24 years after acquiring the interest, whichever is sooner.

25 (c) Within 30 days after a licensee exercises its authority to acquire and hold control of
26 a business under this section, the licensee shall notify the department of the action. The
27 notification must include the reasons why it is necessary for the licensee to acquire and hold
28 control of the business and the length of time the licensee anticipates that it may be necessary
29 to hold control of the business.

30 Sec. 10.13.270. CONTROL OF BUSINESS PROVIDING FINANCING ASSISTANCE
31 AND MANAGEMENT ASSISTANCE. With the approval of the department, a licensee may

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1 acquire and hold control of another business that is engaged only in the business of providing
2 financing assistance and management assistance to businesses.

3 Sec. 10.13.280. CONTROL OF OTHER BUSINESSES. (a) With the approval of the
4 department, a licensee may acquire and hold control of a business not otherwise allowed under
5 AS 10.13.250 - 10.13.270.

6 (b) The department may not approve an application under (a) of this section unless the
7 department determines that

8 (1) the acquisition and control will not cause the amount of the licensee's
9 investments in businesses covered by this section to exceed 15 percent of the assets of the
10 licensee; and

11 (2) in the department's judgment the approval will promote the purposes of this
12 chapter.

13 (c) An approval under (a) of this section may not be for a period of more than three
14 years, unless the department determines that a longer period is necessary and consistent with the
15 purposes of this chapter.

16 Sec. 10.13.285. "HOLD CONTROL" DEFINED. In AS 10.13.250 - 10.13.280, "hold
17 control" means to directly or indirectly own, of record or beneficially, 50 percent or more of a
18 business's outstanding voting equity interests.

19 Sec. 10.13.290. BUSINESS PRACTICE STANDARD. (a) A licensee shall transact its
20 business in a safe and sound manner and shall maintain itself in a safe and sound condition.

21 (b) In determining whether a licensee is transacting business in a safe and sound manner,
22 the department may not consider the risk of providing financing assistance to a business, unless
23 the department determines that the risk is great enough to demonstrate gross mismanagement
24 when compared with the return that can be realistically expected.

25 (c) Notwithstanding the other provisions of this section, the department may

26 (1) if the amount of the financing assistance is unduly large in relation to the total
27 assets or the total shareholder equity of the licensee, determine that a licensee's financing
28 assistance to a single business or group of affiliated businesses violates (a) of this section or
29 constitutes an unsafe or unsound act;

30 (2) require that a licensee maintain a reserve in the amount of anticipated losses;

31 (3) require that a licensee have in effect a written financing assistance policy

1 approved by the licensee's board of directors, including credit evaluation and other matters; the
 2 department may not require that a licensee adopt a financing assistance policy that contains
 3 standards that prevent the licensee from exercising needed flexibility in evaluating and structuring
 4 financing assistance to businesses on an individual basis.

5 Sec. 10.13.300. DISCLOSURE OF POTENTIAL CONFLICT OF INTEREST. A person
 6 shall disclose a potential conflict of interest that occurs in a transaction in the financing
 7 documents of the transaction or, if the transaction does not involve financing assistance, in
 8 another appropriate document, if the person

- 9 (1) participates in a decision of a licensee relating to the transaction; and
- 10 (2) knows of a potential conflict of interest involving the transaction.

11 Sec. 10.13.310. TERMS WHERE POTENTIAL CONFLICT OF INTEREST IS
 12 INVOLVED. If a licensee provides financing assistance to a business or engages in another
 13 business transaction, and if the assistance or transaction involves a potential conflict of interest,
 14 the terms and conditions under which the licensee provides the assistance or engages in the
 15 transaction may not be less favorable to the licensee than the terms and conditions that would
 16 be required by the licensee in the ordinary course of business if the assistance or transaction did
 17 not involve a potential conflict of interest.

18 Sec. 10.13.320. POTENTIAL CONFLICTS OF INTEREST DEFINED. (a) In
 19 AS 10.13.300 - 10.13.310, licensee transactions that involve a potential conflict of interest include

- 20 (1) providing financing assistance to a principal shareholder of the licensee, to a
 21 person controlled by a principal shareholder of the licensee, or to a director, officer, partner,
 22 relative, controlling person, or affiliate of a principal shareholder of the licensee;
- 23 (2) providing financing assistance to a business to which one or more of the
 24 following provides or plans to provide contemporaneous financing assistance:
 - 25 (A) a principal shareholder of the licensee;
 - 26 (B) a director, officer, partner, relative, controlling person, or affiliate of
 27 a principal shareholder of a licensee;
 - 28 (C) an affiliate of a principal shareholder of a licensee; or
 - 29 (D) a person controlled by a principal shareholder of the licensee;
- 30 (3) providing financing assistance to a business that has or is expected to have
 31 a substantial business relationship with another business that has a director, officer, or controlling

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1 person who is also

2 (A) a director, officer, or controlling person of the licensee; or

3 (B) the spouse of a director, officer, or controlling person of the licensee;

4 (4) providing financing assistance to a business if the business, or a director,
5 officer, or controlling person of the business contemporaneously has lent or will lend money to
6 an associate of the licensee;

7 (5) providing financing assistance for the purchase of property of an associate or
8 principal shareholder of the licensee;

9 (6) selling or otherwise transferring an asset of the licensee to an associate or
10 principal shareholder of the licensee.

11 (b) In this section, "relative" means a parent, child, sibling, spouse, grandparent,
12 grandchild, nephew, niece, aunt, or uncle, or a relative of the same degree through marriage.

13 ARTICLE 4. MERGERS AND ACQUISITIONS.

14 Sec. 10.13.400. ACQUIRING CONTROL OF A LICENSEE. A person may not acquire
15 control of a licensee without the prior approval of the department.

16 Sec. 10.13.410. APPLICATION TO ACQUIRE CONTROL. (a) The department shall
17 approve an application to acquire control of a licensee under AS 10.13.400 if the department
18 determines that

19 (1) the applicant and the directors and officers of the applicant are of good
20 character and sound financial standing;

21 (2) it is reasonable to believe that the applicant will comply with this chapter; and

22 (3) the plans, if any, of the applicant to make a major change in the business,
23 corporate structure, or management of the licensee are not detrimental to the safety and soundness
24 of the licensee.

25 (b) If, after notice and a hearing, the department determines that the criteria for approval
26 in (a) of this section have not been satisfied, the department shall deny the application.

27 Sec. 10.13.420. DETERMINATIONS. (a) When the department is reviewing an
28 application under AS 10.13.410, the department may determine that an

29 (1) applicant or a director or officer of an applicant is not of good character if the
30 person has been convicted of a crime involving fraud or dishonesty, including a conviction based
31 on a guilty plea or plea of nolo contendere;

1 (2) applicant's plan to make a major change in the management of a licensee is
2 detrimental to the safety and soundness of the licensee if the plan provides for a person to
3 become a director or officer of the licensee and the person has been convicted of a crime
4 involving fraud or dishonesty, including a conviction based on a guilty plea or plea of nolo
5 contendere.

6 (b) The conditions described in (a) of this section are not the only conditions upon which
7 the department may determine that an applicant or a director or an officer of an applicant is not
8 of good character or that an applicant's plan to make a major change in the management of a
9 licensee is detrimental to the safety and soundness of the licensee.

10 Sec. 10.13.430. MERGER. A licensee may not merge with another corporation unless
11 the merger is approved by the department, and, if the licensee is not the surviving corporation,
12 the surviving corporation is a licensee.

13 Sec. 10.13.440. PURCHASE. A licensee may not purchase all or substantially all of the
14 business of another person unless the purchase is approved by the department.

15 Sec. 10.13.450. SALE. A licensee may not sell all or substantially all of the licensee's
16 business or of the business of an office of the licensee to another person unless the purchaser is
17 a licensee and the sale is approved by the department.

18 Sec. 10.13.460. DEPARTMENT APPROVAL. The department may not approve a
19 merger, purchase, or sale under AS 10.13.430 - 10.13.450 unless the department determines that

20 (1) the merger, purchase, or sale will be safe and sound with respect to the
21 acquiring licensee;

22 (2) upon consummation of the merger, purchase, or sale, it is reasonable to
23 believe that the acquiring licensee will comply with this chapter;

24 (3) the merger, purchase, or sale will not have a major detrimental effect on
25 competition in the providing of financial assistance or management assistance to businesses, or,
26 if there will be a detrimental effect, the merger, purchase, or sale is necessary in the interests of
27 the safety and soundness of a party to the merger, purchase, or sale, or is otherwise, on balance,
28 in the public interest.

29 **ARTICLE 5. REGULATION, REPORTING, AND EXAMINATION.**

30 Sec. 10.13.470. ADMINISTRATION. The department shall administer this chapter. The
31 department may issue orders and may adopt regulations that, in the opinion of the department,

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1 are necessary to execute, enforce, and achieve the purposes of this chapter. Adoption of
2 regulations under this chapter is subject to AS 44.62 (Administrative Procedure Act).

3 Sec. 10.13.480. **CONDITIONS OF ORDER OR LICENSE.** When the department issues
4 an order or license under this chapter, the department may impose conditions that the department
5 determines are necessary to carry out the purposes of this chapter.

6 Sec. 10.13.490. **DECLARATORY RULINGS.** The department may provide to an
7 interested person a declaratory ruling on a provision of this chapter.

8 Sec. 10.13.500. **JUDICIAL REVIEW.** A final order, decision, license, or other official
9 act of the department under this chapter is subject to judicial review by the superior court under
10 the applicable rules of court.

11 Sec. 10.13.510. **INVESTIGATIONS.** The department may make public or private
12 investigations inside or outside the state that the department considers necessary to determine
13 whether to approve an application for a license, to determine whether a person has violated or
14 is about to violate this chapter, to aid in the enforcement of this chapter, or to aid in issuing an
15 order or adopting a regulation under this chapter.

16 Sec. 10.13.520. **INVESTIGATIVE POWERS.** For the purposes of an investigation,
17 examination, or other proceeding under this chapter, the department may administer oaths and
18 affirmations, subpoena witnesses, compel the attendance of witnesses, take evidence, and require
19 the production of books, papers, correspondence, memoranda, agreements, and other documents
20 or records that the department considers relevant or material to the proceeding.

21 Sec. 10.13.530. **FAILURE TO COMPLY.** If a person fails to comply with a subpoena
22 issued by the department under this chapter or to testify with respect to a matter covered by this
23 chapter, the superior court may issue an order requiring the attendance of the person and the
24 giving of testimony or production of evidence.

25 Sec. 10.13.540. **SERVICE OF PROCESS.** If the department is authorized to make
26 service of process in connection with a noncriminal administrative proceeding under this chapter,
27 the department may make the service by registered or certified mail.

28 Sec. 10.13.550. **FEES.** A person shall pay the department

- 29 (1) \$2,500 for filing an application for a license;
30 (2) \$1,250 for filing an application for approval to acquire control of a licensee;
31 (3) \$1,250 for filing an application for approval for a merger, purchase, or sale

1 under AS 10.13.430 - 10.13.460; if two or more applications relating to the same merger,
2 purchase, or sale are filed, the fee for filing each application is the figure resulting from dividing
3 \$1,250 by the number of the applications;

4 (4) \$2,500 each calendar year at the time established by the department, if the
5 person is a licensee;

6 (5) a fee established by the department for the examination of a licensee or a
7 subsidiary of a licensee; the fee shall be paid within 30 days after receiving a statement from the
8 department; a fee established under this paragraph must include

9 (A) the proportionate part of the salaries and cost of employee benefits of
10 the examiners while conducting the examination and while preparing the examination
11 report; and

12 (B) the transportation costs and per diem costs of each examiner while
13 away from the examiner's duty station.

14 Sec. 10.13.560. FEE PAYMENT AND REFUNDS. A fee for filing an application with
15 the department shall be paid at the time the application is filed with the department and is not
16 refundable.

17 Sec. 10.13.570. RECORD AND REPORT REQUIREMENTS. (a) A licensee shall make
18 and keep books, accounts, and other records in the form and manner, at the place, and for the
19 period of time that the department establishes.

20 (b) A licensee, affiliate of a licensee, and a subsidiary of a licensee shall file with the
21 department the reports that the department requires. A report must be in the form and contain
22 the information that the department requires.

23 (c) The department may require by order that a licensee include an asset on the licensee's
24 books and records at a valuation that represents the current value of the asset.

25 (d) Not later than 90 days after the close of the calendar year, or a longer period if
26 established by the department, a licensee shall file with the department an audit report containing

27 (1) financial statements, including a balance sheet, statement of income or loss,
28 statement of changes in capital accounts, and statement of changes in financial position for, or
29 as of the end of, the calendar year, prepared with an audit by an independent certified public
30 accountant in accordance with generally accepted accounting principles;

31 (2) a report, certificate, or opinion of the independent certified public accountant

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1 who performs the audit, stating that the financial statements were prepared in accordance with
2 generally accepted accounting principles; and

3 (3) other information that the department may require.

4 Sec. 10.13.580. RECORDS AND REPORTS KEPT BY OTHERS. (a) If a person other
5 than a licensee makes or keeps all or part of the books, accounts, or other records of the licensee,
6 this chapter applies to the person with respect to the books, accounts, and other records to the
7 same extent as if the person were the licensee.

8 (b) If a person other than an affiliate or subsidiary of a licensee makes or keeps all or
9 part of the books, accounts, or other records of the affiliate or subsidiary, this chapter applies to
10 the person with respect to the books, accounts, and other records to the same extent as if the
11 person were the affiliate or subsidiary.

12 (c) If the department considers it expedient, the department may require a licensee to
13 obtain the approval of the department before permitting another person to make or keep all or
14 part of the books, accounts, or other records of the licensee.

15 Sec. 10.13.590. INFORMATION ON ECONOMIC DEVELOPMENT EFFECT. Each
16 year the department shall publish and provide to the legislature information on the effect of this
17 chapter on promoting economic development in the state. The information must include
18 aggregate statistics on

19 (1) the number and dollar amount of the financing assistance made by licensees
20 to businesses; the amounts shall be organized into broad categories based on the types of industry
21 involved; the standard industrial classification manual may be used for the categories;

22 (2) the number and dollar amount of the financing assistance made by licensees
23 to minority-owned businesses and to businesses owned by women; and

24 (3) estimates of the number of jobs created or retained.

25 Sec. 10.13.600. EXAMINATION OF LICENSEES AND SUBSIDIARIES. (a) The
26 department may at any time examine a licensee or a subsidiary of a licensee. Licensure under
27 this chapter constitutes implied consent to examination by the department.

28 (b) The department shall examine a licensee at least once during each calendar year.

29 (c) At the department's request the following persons shall provide to the department the
30 books, accounts, and records of a licensee or a licensee's subsidiary and shall otherwise facilitate
31 the department's examination of the licensee to the fullest extent possible:

1 (1) a director, officer, or employee of a licensee being examined by the
2 department;

3 (2) a director, officer, or employee of a subsidiary of a licensee being examined
4 by the department;

5 (3) a person having custody of the books, accounts, or records of a licensee being
6 examined by the department;

7 (4) a person having custody of the books, accounts, or records of a subsidiary of
8 a licensee being examined by the department.

9 (d) The department may retain a certified public accountant, attorney, appraiser, or other
10 person to assist the department in the examination of a licensee or a subsidiary of a licensee if
11 the department determines that the assistance is necessary. Within 10 days after receipt of a
12 statement from the department, the licensee being examined shall pay the fees of a person
13 retained by the department under this subsection.

14 ARTICLE 6. PROHIBITED ACTIVITIES.

15 Sec. 10.13.610. MISREPRESENTATION. (a) Except as otherwise provided in
16 AS 10.13.120, a person transacting business in the state who is not a licensee may not knowingly
17 use a name or title that indicates that the person is a BIDCO or otherwise represent that the
18 person is a BIDCO or a licensee.

19 (b) A licensee may not knowingly misrepresent the meaning or effect of its license.

20 Sec. 10.13.620. INSPECTION OR COPYING REFUSAL. A person having custody of
21 all or part of the books, accounts, or other records of a licensee may not knowingly refuse to
22 allow the department, upon request, to inspect or make copies of the records.

23 Sec. 10.13.630. FINANCING ASSISTANCE TO ASSOCIATES OF LICENSEE. A
24 licensee may not directly or indirectly provide financing assistance to an associate of the licensee.

25 Sec. 10.13.640. FINANCING ASSISTANCE TO DISCHARGE OBLIGATION TO
26 ASSOCIATE OF LICENSEE. A licensee may not directly or indirectly provide financing
27 assistance to discharge, or to free money for use in discharging, part or all of an obligation to
28 an associate of the licensee. This section does not apply to a transaction of an associate of a
29 licensee in the normal course of the associate's business involving a line of credit or financing
30 assistance with a term of not more than five years.

31 Sec. 10.13.650. CONTEMPORANEOUS FINANCING ASSISTANCE. (a) If the terms

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1 on which a licensee provides financing assistance to a business are less favorable to the licensee
2 than the terms on which an associate of the licensee provides financing assistance to the business,
3 the licensee may not directly or indirectly provide the assistance to the business within one year
4 before or after the associate provides assistance.

5 (b) If the financing assistance provided by the licensee's associate is of a different kind
6 from the financing assistance provided by the licensee, the burden is on the licensee to prove that
7 the terms on which the licensee provided the financing assistance were at least as favorable to
8 the licensee as the terms on which the associate provided the assistance.

9 (c) This section does not apply

10 (1) if the associate is a controlling person of the licensee and is also the only
11 shareholder of the licensee;

12 (2) if the associate is a subsidiary of the licensee;

13 (3) to a transaction of an associate of a licensee in the normal course of the
14 associate's business involving either a line of credit or financing assistance with a term of not
15 more than five years.

16 Sec. 10.13.660. COMPENSATION OF ASSOCIATE. (a) An associate of a licensee
17 may not directly or indirectly receive from a person to whom the licensee provides financing
18 assistance

19 (1) compensation in connection with the providing of the financing assistance; or

20 (2) other things of value for procuring, influencing, or attempting to procure or
21 influence the licensee's action with respect to providing the financing assistance.

22 (b) This section does not apply to the receipt of fees by an associate of a licensee for
23 bona fide services performed by the associate if

24 (1) the associate, with the consent and knowledge of the person to whom the
25 financing assistance is provided, is designated by the licensee to perform the services;

26 (2) the services are appropriate and necessary under the circumstances;

27 (3) the fees for the services are approved as reasonable by the licensee; and

28 (4) the fees for the services are collected by the licensee, and the licensee pays
29 the associate.

30 Sec. 10.13.670. EXEMPTIONS. (a) If the department finds that the exemption is in the
31 public interest and that the regulation of the person or transaction is not necessary for the