

ALASKA LEGISLATURE COMMITTEE FILES 1995-1996 8672

9034 SENATE STATE AFFAIRS

WARM HOMES FOR ALASKANS PROGRAM

Priority #16

	Federal	Corp/mat	Corp
<u>Warm Homes for AK Program</u>			\$600.0

- Funds 2 entities -- AK Craftsman Home Program	\$300.0
Energy Rates Homes of AK	\$300.0

Alaska Craftsman Home Program - private non-profit providing one of the only continuing education source for builders. Numerous workshops and courses are administered statewide to provide advanced education for Alaskan home builders and consumers. These continuing education programs are required by Occupation Licensing and highly recommended by lending institutions. All participants in the educational workshops currently contribute approximately half of the total cost of the program. Since 1990 the cost of attending workshops has increased over 150-200%.

Energy Rated Homes of Alaska - Nationally recognized franchise originally purchased and administered by DCRA and now transferred to AHFC. The program rates home for energy efficiency through a nationally recognized program by mortgage lenders. Without this rating system, many of the lenders currently doing business in Alaska would be unwilling to process energy efficient mortgages.

AHFC recently received an award from the U.S. Department of Energy, National Association of State Energy Officials for its Warm HOMES for Alaskans program, providing the only comprehensive energy efficiency program in the nation.

-FY 95 funding level -- AK Craftsman Home Prog.	\$150.0 capital
	\$150.0 operating
Energy Rated Homes of AK	\$150.0 capital
	\$150.0 operating
	<u>\$600.0 TOTAL</u>

Recommendation: 1)

PROJECT TITLE Warm Homes for Alaskans Program

PRIORITY 16 COMPLETION DATE June, 2000
TYPE Renovation & Remodeling LOCATION Statewide
PROGRAM Education, Health, Development ELECTION DISTRICT 99

FUNDING		CAPITAL REQUEST	OPERATING COSTS	NEW POSITIONS (PFT)
1002	Federal Receipts			0
1003	General Fund Match			
1004	General Fund			
1005	General Fund Program Receipts			
1006	General Fund Mental Health Trust			
1022	State Corporation Receipts	600 0		
TOTAL		600 0		

PROJECT DESCRIPTION AND JUSTIFICATION

The FY95 appropriation was split between the Capital and Operating budgets - \$300 0 each.

CRITICAL LINK BETWEEN ENERGY EFFICIENCY AND HOUSING AFFORDABILITY A key goal of a housing finance agency is to assist all housing to be decent, safe, and affordable. There is a critical link between housing affordability and energy efficiency. The Alaska Housing Finance Corporation is fostering the long term affordability of the state's housing stock through encouraging the construction of energy efficient homes.

HIGH ENERGY COSTS CHALLENGES ECONOMIC DEVELOPMENT For many Alaskan communities, the cost of heating is placing a serious strain on local economies and family budgets. This is particularly true for those Alaskans on fixed incomes. Rural Alaskans spend between 15% and 37% of their incomes on energy bills. Overall, Alaskans spend over \$214 million a year just to stay warm. This represents a multimillion dollar drain on the state's economy since most of Alaska's communities get their oil from Outside.

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MISTAKES OF THE PAST CAUSE DRAIN ON LOCAL ECONOMIES. In the past, Alaskan homes and facilities were often constructed using lower-16 standards and did not meet Alaska's climate conditions. A deplorable 28% of homes in rural Alaska cannot maintain a healthy indoor temperature of 70 degrees during our long winter months.

ENERGY EFFICIENCY'S POTENTIAL. It is possible to cost effectively reduce Alaska's \$2.14 billion annual heating bill by at least 25% by the year 2000. This will not only result in warmer and healthier homes, but a permanent annual injection of over \$50 million back into the economy that would otherwise go up the chimney in heat loss. These savings will be spent and re-spent throughout the Alaskan economy.

SELF-SUFFICIENT VILLAGE ECONOMIES. To have healthy rural economies, we must have more self-sufficient homes. An obvious solution is to build energy-efficient homes and retrofit existing homes to be energy efficient. In turn, they would cost less to maintain and heat. For example, efficiency retrofits can reduce a home's energy costs by an average of 30%. New energy-efficient homes average 40% or less in heating costs than existing homes. New energy-efficient light bulbs can provide the same amount of light while using 35% less electricity and lasting four times longer. By reducing these operating costs, energy efficiency programs strengthen local communities and economies. Because labor skills required to undertake the improvements are easily attainable in each community, this creates sorely needed local jobs, while at the same time ensuring long-term financial savings to the community.

ALASKA'S HOUSING POISED FOR THE FUTURE. Currently, Alaska's housing industry is at a major turning point. The recession of the 1980s is over, and the industry is poised for a new era. With the proper state investment, the state's housing industry can usher in a new era that will result in more affordable housing for all Alaskans through high-quality, energy-efficient homes. Because of the state's leadership position in this area, there is an excellent opportunity to export Alaskan know-how and technology to other northern states and countries.

WARM HOMES FOR ALASKANS INITIATIVE. The Corporation offers a comprehensive approach for improving the quality and energy efficiency of housing in Alaska. This effort features market-driven efforts, such as energy ratings of homes that are recognized by the secondary mortgage market, marketing support and building science for homebuilders, and equity investments to home buyers and owners to purchase energy-efficient homes or improve their current homes. Programs include the Alaska Craftsman Home Program, Energy Rated Homes of Alaska, and technical assistance for rural Alaskans in building energy-efficient.

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PROGRAM

Alaska Craftsman Home Program

PURPOSE

Non-profit organization funded through AHFC that offers the latest building technology for northern climates. Homes built to the program's voluntary standard costs 60-80% less to heat. Program offers certification of homes and building science and training for the housing industry.

TOTAL FUNDING
\$350,000 (corporatol)*

PROGRAM

Energy Rated Homes of Alaska

PURPOSE

Nationally recognized public/private partnership between AHFC and the housing industry that fosters the energy efficiency into the state's housing market. The program offers a uniform energy rating of the home according to its energy efficiency. The rating presents the information that is readily understandable to the builder, lender, appraiser, real estate agent and buyer. The documented energy savings is then credited in the mortgage loan. The program also market support to the housing industry and technical support on the various mortgage incentive programs that are available for energy efficiency.

TOTAL FUNDING
\$350,000 (corporatol)*

* The corporate receipts requested for the weatherization, Alaska Craftsman Home Program and Energy Rated Homes of Alaska represents a five year funding commitment that AHFC has made to these programs under the Warm Homes for Alaskans Initiative. This is the second year of a five year commitment.

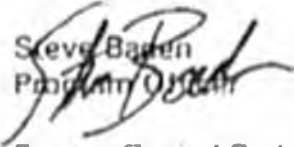
cc: Barbara Baker



520 East 34th Avenue
Anchorage, AK 99503-4199
(907) 561-1900

P O Box 101020
Anchorage, AK 99510-1020

TO: Frank D'Elia
Program Coordinator
Planning Department

FROM: 
Program Director

RE: Energy Capital Budget Request

DATE: August 11, 1994

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The following represents the continuation of the energy programs that was contained in AHFC's FY 1995 capital budget request.

PROGRAM

Public Housing Energy Performance Contracting

PURPOSE

Low income Alaskans pay a higher proportion of their disposable income just to stay warm. The U.S. Department of Housing and Urban Development (HUD) has found that the energy efficiency of public housing units can be dramatically improved through installing cost effective energy improvements. To provide an incentive to public housing authorities, HUD will let AHFC retain the energy savings resulting from the energy improvements made with corporate receipts for a period of 12 years through the energy performance contracting program. \$2 million is being requested in Corporation receipts to finance the needed improvements to public housing units and \$100,000 is being requested to program the energy savings resulting from the FY 1995 appropriation back into further energy improvements of other public housing units.

TOTAL FUNDING

\$2.1 million (\$2 million in corporate receipts and \$100,000 in energy savings)

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received from HUD (utility allowance)

PROGRAM

Home Energy Loan Program/Home Energy Rebates

PURPOSE

The Home Energy Loan Program provides home buyers an incentive to purchase energy efficient homes. The program reduces a mortgage loan by an amount up to \$2,500 according to the energy efficiency of the home as documented through a energy rating from Energy Rated Homes of Alaska. The Home Energy Rebate Program offers rebates of up to \$2,500 to homeowners who have documented through a home energy rating that they have improved the energy efficiency of their homes. These programs are funded with oil overcharge settlement funds. AHFC has been designated as the trustee for these funds which were distributed to the states through court settlements between the federal government and a number of oil companies over oil pricing in the late 70's and early 80's. These settlement funds are for restitution to the public through energy efficiency programs approved by the federal government.

TOTAL FUNDING

\$2 million (oil overcharge settlement funds)

PROGRAM

Low Income Weatherization Program

PURPOSE

This program assist low income Alaska through the installation of energy saving improvements to their residences. The improvements include replacement of unsafe and inefficient heating systems, air infiltration sealing and increasing insulation levels.

TOTAL FUNDING

\$9.7 million (\$8 million corporate receipts* and \$1.7 million in federal funds)

PUBLIC HOUSING SUPPORT BUILDING CONSTRUCTION

Priority #17

	Federal	Corp/mat	Corp
<u>Public Housing Support Buildings</u>	0.0	0.0	300.0

- Funds to be used for maintenance facilities and community space in Anchorage.

- FY 95 funding -- \$250.0 for a public housing support building in Nome

Recommendation: 1)

PROJECT TITLE: Public Housing Support Building Construction

PRIORITY: 17

COMPLETION DATE: September, 1996

TYPE: Construction

LOCATION: Anchorage

PROGRAM: Development

ELECTION DISTRICT: 16 or 23

FUNDING		CAPITAL REQUEST	OPERATING COSTS	NEW POSITIONS (PFT)
1002	Federal Receipts			0
1003	General Fund Match			
1004	General Fund			
1005	General Fund Program Receipts			
1006	General Fund Mental Health Trust			
1022	State Corporation Receipts	300 0		
TOTAL:		300 0		

PROJECT DESCRIPTION AND JUSTIFICATION:

This request is part of a long-range plan to provide tangible support facilities to the Corporation's statewide housing properties. Plans include maintenance facilities and community space for organized resident councils that will promote resident self-reliance, determination, and advancement. The facility needs include the geographical locations of Bethel, Anchorage, Fairbanks, and Wrangell.

This request represents the top priority of this plan. It will fund the construction of a satellite maintenance facility to serve approximately 300 housing units located in north Anchorage. The building will include approximately 1,000 square feet and will provide space for a workshop, vehicle maintenance, and storage of maintenance supplies. It will also include a secure area for vehicle storage. This facility would be linked to central-maintenance dispatch by computer.

Currently, the Anchorage area-maintenance effort is being administered from the Public Housing Division's central office located in south Anchorage. Due to logistics, much valuable time is spent by maintenance staff in transit to the various widely-scattered worksites. Since they must respond to emergency situations which pose a potential life and/or safety threat to our structures and residents, timely response is a definite concern. Some of these threats include natural-gas leaks, electrical problems, and broken water pipes. A facility such as this would cut response time by up to 50 percent. Locations being considered for potential building sites are north Mountain View and north Muldoon.

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FEDERAL COMPETITIVE GRANTS - PUBLIC HOUSING

Priority #18

	Federal	Corp/mat	Corp
<u>Fed Comp. Grants-Public Housing</u>	2,277.0	1,213.0	0.0

- These grants target the Public Housing needs of low income and special needs groups such as senior citizens, the mentally ill, disabled or homeless. Match requirements vary with each program and application. These are competitive grants. If application is not successful, corp/match would not be spent.

- FY 95 funding level -- \$6589.0 fed/\$487.0 corp. match

Recommendation: 1)

PROJECT TITLE: Federal Competitive Grants - Public Housing

PRIORITY: 1B
TYPE: Health & Safety, Transitional
PROGRAM: Social Services

COMPLETION DATE: June, 2000
LOCATION: Statewide
ELECTION DISTRICT: 99

FUNDING		CAPITAL REQUEST	OPERATING COSTS	NEW POSITIONS (PFT)
1002	Federal Receipts	2,277.0		0
1003	General Fund Match			
1004	General Fund			
1005	General Fund Program Receipts			
1006	General Fund Mental Health Trust			
1022	State Corporation Receipts	1,213.0		
TOTAL:		3,490.0		

PROJECT DESCRIPTION AND JUSTIFICATION:

Various special-purpose grants are offered through the U.S. Department of Housing and Urban Development and other federal departments to address housing concerns. These grants target the housing needs of the low-income and special-needs groups, such as senior citizens, or the mentally ill, disabled or homeless. Some of the funds received are passed through to local non-profit sub-grantee organizations who deliver the housing and services. In other cases, the grants will be used by the Corporation to operate new or expanded housing and supportive-service programs.

In some instances, the non-profit will make application, and AHFC's role will be to provide a match to successful grantees. AHFC is responsible for overall management of the grants received by the Corporation, monitoring the performance of the sub-grantees, and providing technical assistance to the sub-grantees as needed.

AHFC has identified the following list of grant opportunities currently available. If other opportunities should emerge from federal sources, the Corporation will also make application or provide matching funding, as appropriate.

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This activity is consistent with AHFC's corporate objectives to assist non-profit organizations with accessing federal programs for which the state is an eligible applicant, attract additional federal dollars to the state, strengthen the network of non-profit providers operating in the state and increase housing resources to improve the quality of living for low-income Alaskans.

Public Housing Youth Sports Program - Applied FY95

Grants are made in partnership with non-profit organizations to establish positive, drug-free activities for public housing youths. Grants are used for capital projects and programs to offer sports, recreational, cultural and educational activities. AHFC will provide the non federal match for this program.

COMPAC - Program will be available in FY96

Federal entitlement grants are made to public housing agencies to fund drug-elimination activities in public housing. Grant funds may be used for security, education and prevention activities, and security improvements to the property.

Family Self-Sufficiency Program - Currently Operating Program

Provides funding for job training and employment programs to help increase self-esteem and economic standing of low-income residents.

Gateway Literacy Grants - Successful Application FY95

Provides funding for literacy, life skills and English-as-a-second-language training to public housing residents.

Family Investment Centers Rehabilitation - Applied FY95

Provides funding for public-housing projects to renovate existing office space for use as Family Investment Centers.

Public Housing Drug Elimination Technical Assistance Grant -Applying FY96

Provides funds to hire consultants who will provide technical assistance in the area of substance-abuse prevention in public housing projects.

Congregate Housing Services.

Provides funding for services and service coordination for the frail elderly.

Administration on Aging Supportive Services in Federally-Assisted Housing Grant

Provides funding to develop model programs of supportive services in federally-assisted housing for senior citizens.

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FEDERAL COMPETITIVE GRANTS

Priority #19

	Federal	Corp/mat	Corp
<u>Federal Competitive Grants</u>	3,400.0	3,100.0	0.0

- Federal grants for low income and special needs housing in the state, not necessarily for Public Housing. These are competitive grants. If application is not successful, corp/match would not be spent.

- FY 95 funding level --\$2,900.0 fed/\$2,053.0 corp. match

Recommendation: 1)

PROJECT TITLE: Federal Competitive Grants

PRIORITY: 19
TYPE: Health & Safety, Transitional
PROGRAM: Development

COMPLETION DATE: June, 2000
LOCATION: Statewide
ELECTION DISTRICT: 99

FUNDING		CAPITAL REQUEST	OPERATING COSTS	NEW POSITIONS (PFT)
1002	Federal Receipts	3,400.0		0
1003	General Fund Match			
1004	General Fund			
1005	General Fund Program Receipts			
1006	General Fund Mental Health Trust			
1022	State Corporation Receipts	3,100.0		
TOTAL:		6,500.0		

PROJECT DESCRIPTION AND JUSTIFICATION:

McKinney Supportive Housing Programs - Entitlement

Grants assist public and private non-profit organizations with the cost of acquiring and/or rehabilitating existing buildings, and providing supportive services and/or rental assistance to homeless, persons with disabilities and other special needs populations. This program is an entitlement program funded by HUD through block grants to states. AHFC will provide the match required to expand the benefits of this entitlement program in Alaska.

McKinney Supportive Housing Programs - Competitive

Supportive Housing Program (SAFHH) - Transitional and permanent housing for the homeless and persons with disabilities - Successful application FY94

Grants assist public and private non-profit organizations with the cost of acquiring and/or rehabilitating existing buildings to house and provide supportive services to the homeless and persons with disabilities. AHFC will provide the non-federal match required by the grants.

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Shelter Plus Care - Successful FY94

Provides rental assistance for homeless people with disabilities, primarily those with serious mental illness, chronic problems with alcohol and/or drugs, and AIDS and related diseases. The support services, which must match the value of the rental assistance, are provided by public and private sources.

Housing Opportunities for Persons with AIDS (HOPWA) - Successful FY95

Provides grants for supportive housing for persons with AIDS. Funds may be used for supportive services, capital acquisition, rehabilitation costs, rental assistance and operation of housing facilities. Applications feature extensive coordination of community supportive services to the client population. A non-federal match is required from state and community contributions.

MUD Technical Assistance Grants

MUD provides grant funds to agencies to provide technical assistance to applicants for the McKinney homeless competitive and enactment grant programs. Technical assistance funds are available to help develop capacity in non-profit agencies that qualify as Community Housing Development Organizations (CHDO) under the HOME program.

Indian HOME Program - Successful Alaska Application FY95

Agencies apply to MUD for funding for affordable housing development for Native Alaskans. ANFC would provide limited matching grants to agencies who are successful in getting Indian HOME funds.

Farmers Home Preservation (FmHA) Grant - Successful Alaska application FY95

Agencies apply to FmHA to preserve existing affordable housing in rural Alaska that is in need of rehabilitation.

ANFC would provide limited matching grants to agencies who are successful in receiving grant funds under the FmHA program.

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TRANSITION FOR FOUR STAR PLUS HOME INCENTIVE PROGRAM

Priority #20

	Federal	Corp/mat	Corp
<u>Trans. for 4 Star Home Incentive</u>	0.0	0.0	2,000.0

Funds used to continue incentive program one more year for new home buyers. Purchasers of new homes which are four star plus or better receive an incentive of \$1,900.00 or more which is applied to the purchase price.

Existing program originally scheduled to sunset in 1995 but was extended one more year. Stripper Well Oil Overcharge Restitution Program funds (non corp income) covered program costs in the past. AHC now requests program to be supported by corp receipts.

State statute requires all new homes be built to four star levels.

Recommendation: 1)

PROJECT TITLE	Transition for First Step Plus Home Incentive Program		
PRIORITY	20	COMPLETION DATE	June 2000
TYPE	Transitional	LOCATION	Statewide
PROGRAM	Development	ELECTION DISTRICT	99

FUNDING		CAPITAL REQUEST	OPERATING COSTS	NEW POSITIONS (PFT)
1007	Federal Receipts			0
1007	General Fund Match			
1008	General Fund			
1005	General Fund Program Receipts			
1008	General Fund Mental Health Trust			
1022	State Corporation Receipts	2,000 0		
TOTAL		2,000 0		

PROJECT DESCRIPTION AND JUSTIFICATION

CRITICAL LINK BETWEEN ENERGY EFFICIENCY AND ECONOMIC AFFORDABILITY: A key goal of a housing finance agency is to assist all housing to be secure, safe, and affordable. There is a critical link between housing affordability and energy efficiency. The Alaska Housing Finance Corporation is focusing the long term affordability of the state's housing stock through encouraging the construction of energy efficient homes.

REDUCE THE STATE'S ENERGY ECONOMIC DEVELOPMENT: For many Alaskan communities, the cost of heating is placing a serious strain on local economies and family budgets. Many Alaskans spend between 10% and 20% of their incomes on energy bills. Over 30 Alaskans spend over \$20 million a year just to stay warm. This represents a multimillion dollar drain on the state's economy, since most of Alaska's communities are far from outside.

WINTER'S OF THE PAST CAUSE HEALTHY LOCAL ECONOMIES: In the past, Alaskan homes and facilities were often constructed using 1 inch or standards and did not meet state's climate conditions. A significant 20% of homes in rural Alaska cannot maintain a healthy indoor temperature of 60 degrees during our long winter months.

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ENERGY EFFICIENCY'S POTENTIAL It is possible to cost effectively reduce Alaska's \$214 million annual heating bill by at least 25% by the year 2000. This will not only result in warmer and healthier homes, but a permanent annual injection of over \$50 million back into the economy that would otherwise go up the chimney in heat loss. These savings will be spent and re-spent throughout the Alaskan economy.

SELF SUFFICIENT VILLAGE ECONOMIES To have healthy rural economies, we must have more self sufficient homes. An obvious solution is to build energy efficient homes, which would, in turn, cost less to maintain and heat. For example, new energy efficient homes average 40% or less in heating costs than existing homes. New energy efficient light bulbs can provide the same amount of light while using 35% less electricity and lasting four times longer. By reducing these operating costs, energy efficiency programs strengthen local communities and economies.

ALASKA'S HOUSING POISED FOR THE FUTURE Currently, Alaska's housing industry is at a major turning point. The recession of the 1980s is over, and the industry is poised for a new era. With the proper State investment, the housing industry can usher in a new era that will result in more affordable housing for all Alaskans through high-quality, energy-efficient homes. Because of the state's leadership position in this area, there is an excellent opportunity to export Alaskan know-how and technology to other northern states and countries.

WARM HOMES FOR ALASKANS INITIATIVE The Corporation offers a comprehensive approach to improving the quality and energy efficiency of housing in Alaska. This endeavor features market-driven efforts, such as energy ratings of homes that are recognized by the secondary mortgage market, marketing support and building science for homebuilders, and equity investments to home buyers and owners to purchase energy efficient homes or improve their current homes.

TRANSITION FOR FOUR STAR PLUS HOME INCENTIVE PROGRAM The homebuilders, statewide, have made a concerted effort to meet the new residential building requirements of a four star plus energy rated home, which become effective January 1, 1995. Currently, purchasers of new homes which are four star plus or better receive an incentive of \$1,900 or more which is applied to the purchase price. This transition program would continue this incentive for a four star plus home for a one-year period ending December 31, 1995. This incentive program is a major selling point for new homes and ensures that new homes are meeting the residential energy requirements.

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PRE-DEVELOPMENT GRANT PROGRAM

Priority #21

	Federal	Corp/mat	Corp
<u>Pre-development Grant Program</u>	0.0	0.0	500.0

- Funds used to cover up-front/start-up costs associated with the development of special-needs housing. This grant program can be used in conjunction with existing multi-family loan program, but would not be required.

- New Program

Recommendation: 1)

PROJECT TITLE Pre-development Grant Program
 PRIORITY 21 COMPLETION DATE June, 2000
 TYPE Transitional LOCATION Statewide
 PROGRAM Development ELECTION DISTRICT 99

FUNDING		CAPITAL REQUEST	OPERATING COSTS	NEW POSITIONS (PFT)
1002	Federal Receipts			0
1003	General Fund Match			
1004	General Fund			
1005	General Fund Program Receipts			
1006	General Fund Mental Health Trust			
1022	State Corporation Receipts	500 0		
TOTAL		500 0		

PROJECT DESCRIPTION AND JUSTIFICATION

Expensive start up costs associated with housing development present a major obstacle to housing groups who want to develop special needs housing. Involving the private sector in the process requires funding up front. Many worthwhile projects do not get started because of this barrier.

Assistance provided under this program would be paid back through loan proceeds or upon sale of the property. This grant program would be a stand-alone program that could be used in conjunction with the existing multi-family loan program, but would not be required.

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OTHER COMPETITIVE GRANTS - NON FEDERAL

Priority #22

	Federal	Corp/mat	Corp
<u>Other Competitive Grants (Non-fed)</u>	0.0	325.0	0.0

- Program provides funding for a variety of housing needs through private companies and foundations with some corp match.

-Private grant amounts unknown/match usually from 25-50%

- FY 95 funding -- \$300.0 corp. match/\$1,000.0 private

Recommendation: 1)

PROJECT TITLE: Other Competitive Grants - Non Federal			
PRIORITY:	22	COMPLETION DATE:	June, 2000
TYPE:	Health & Safety, Transitional	LOCATION:	Statewide
PROGRAM:	Development	ELECTION DISTRICT:	99

FUNDING		CAPITAL REQUEST	OPERATING COSTS	NEW POSITIONS (PFT)
1002	Federal Receipts			0
1003	General Fund Match			
1004	General Fund			
1005	General Fund Program Receipts			
1006	General Fund Mental Health Trust			
1022	State Corporation Receipts	325 0		
TOTAL		325 0		

PROJECT DESCRIPTION AND JUSTIFICATION

Private Foundations - Robert Wood Johnson grant FY95

Affordable housing is an area of great concern to the private sector. Without adequate housing, the economy becomes weakened or stymied because of a lack of affordable housing for its workers. Other issues related to housing such as adequacy of housing delivery systems, safe and viable neighborhoods, homelessness and aging in place are also seen as issues that must be addressed if we are to maintain a healthy economy. Industry and academic institutions, through private foundations, offer grants to study or address many of these housing issues.

As with federal grants, the Corporation will make application to these programs, as appropriate, in order to achieve better housing for Alaskans.

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STATEWIDE RESEARCH AND TESTING

Priority #23

	Federal	Corp/mat	Corp
<u>Statewide Research and Testing</u>	0.0	0.0	100.0

- Funds will be used to identify a variety of ventilation strategies, investigate alternative wastewater/greywater systems appropriate for rural Alaska, and further investigate foundation system options for various situations in Alaska.

- New Project

Recommendation: 1)

PROJECT TITLE: Statewide Research and Testing

PRIORITY: 23 COMPLETION DATE: June, 2000

TYPE: Planning LOCATION: Statewide

PROGRAM: Development ELECTION DISTRICT: 99

FUNDING		CAPITAL REQUEST	OPERATING COSTS	NEW POSITIONS (PFT)
1002	Federal Receipts			0
1003	General Fund Match			
1004	General Fund			
1005	General Fund Program Receipts			
1006	General Fund Mental Health Trust			
1022	State Corporation Receipts	100 0		
TOTAL:		100 0		

PROJECT DESCRIPTION AND JUSTIFICATION:

Statewide research and test demonstration including field testing and monitoring of construction methods that will help to eliminate premature degradation of housing and community buildings and increase the health and safety of the occupants. The focus of this year's budget will be to:

- 1) Identify a variety of ventilation strategies that can be economically implemented and successfully operated in typical housing throughout the state.
- 2) Investigate alternative wastewater/graywater systems that would be appropriate to rural Alaskan communities.
- 3) Further investigate foundation system options for various situations in Alaska, monitor the space frame foundations in place to evaluate their effectiveness, and explore other options.

These projects will be coordinated and integrated with Public Housing, Weatherization, and Supplemental Housing programs for rural Housing Authorities that are already in place. Funds for these programs do not allow for testing and monitoring of construction methods and equipment, but it makes more sense to methodically test systems before adopting them unconditionally around the state.

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COMMUNITY SERVICE DOWN-PAYMENT COUPONS

Priority #24

	Federal	Corp/mat	Corp
<u>Community Service Down-pymt Coup.</u>	0.0	0.0	60.0

- Designed to promote home ownership among public housing residents, the Community Service Coupons credit tenants' volunteer work up to \$5,000, at \$10.00/hr.

- New Program

Recommendation: 1)

PROJECT TITLE: Community Service Down-payment Coupons

PRIORITY: 24

COMPLETION DATE: June, 2000

TYPE: Transitional

LOCATION: Statewide

PROGRAM: Social Service

ELECTION DISTRICT: 99

FUNDING		CAPITAL REQUEST	OPERATING COSTS	NEW POSITIONS (PF1)
1002	Federal Receipts			0
1003	General Fund Match			
1004	General Fund			
1005	General Fund Program Receipts			
1006	General Fund Mental Health Trust			
1022	State Corporation Receipts	60.0		
TOTAL:		60.0		

PROJECT DESCRIPTION AND JUSTIFICATION:

Designed to promote home ownership opportunities among public housing residents, the Community Service Coupons will be used to credit tenants with volunteer work up to a maximum of \$5,000 at \$10 per hour. Based on the number of tenants enrolled in the Family Self-Sufficiency program, an estimated demand for FY96 is \$60,000. In lieu of the corporation providing grants without time and effort of the tenant or amending its loan programs to allow higher ratio financing, the community service coupon reduces risk through a partnership of traditional loan programs and commitment by the residents. This program is not subject to any phasing. The lack of funding for this program will not jeopardize the corporation's compliance with state law; but will reduce the opportunity of moving tenants from public housing assistance to home ownership. This program will depend on the successful partnership between AHFC, public housing tenants, and community service non-profit agencies in implementation and administration of the program.

CP1
CAPITAL PROJECTS
DESCRIPTION
Revised 7/2/94

AGENCY: Department of Revenue

HRU: Alaska Housing Finance Corporation

COMPONENT:

Page 1 of 1
Revised Date:

FY 96

1288

DHSS SPECIAL NEEDS HOUSING PROGRAM

Priority #25

	Federal	Corp/mat	Corp
<u>DHSS Special Needs Housing Prog.</u>	0.0	0.0	1,500.0

- Funds will be used to help non-profits develop special needs housing through DHSS competitive grant program.

- New Project:

Recommendation: 1)

PROJECT TITLE: Department of Health & Social Services Special Needs Housing Program

PRIORITY: 25 COMPLETION DATE: June, 2000
 TYPE: Health & Safety, Renovation & Remodeling LOCATION: Statewide
 PROGRAM: Social Service ELECTION DISTRICT: 99

FUNDING		CAPITAL REQUEST	OPERATING COSTS	NEW POSITIONS (PFT)
1002	Federal Receipts			
1003	General Fund Match			
1004	General Fund			
1005	General Fund Program Receipts			
1006	General Fund Mental Health Trust			
1022	Corporate Receipts	1,500.0		
TOTAL		1,500.0		

PROJECT DESCRIPTION AND JUSTIFICATION

The Alaska Department of Health & Social Services (DHSS) has identified \$10 million in housing needs for adults with special needs. DHSS has developed a competitive grant program to help non-profits develop special needs housing. AHFC's request for \$1.5 million is for construction, rehabilitating, or acquisition of housing for special needs populations. AHFC's grants will be made to successful grantees under the DHSS program.

CP1
 CAPITAL PROJECTS
 DESCRIPTION
 Revised 1/2/94

AGENCY: Department of Revenue

Page 1 of 1
 Revised Date 3/16/95

FY 96

1280

DEPT. OF ADMIN. PIONEER HOMES EMERG. REPAIR/REPLACE

Priority #26

	Federal	Corp/mat	Corp
<u>DOA Pioneer Homes Emerg. Repair/Rep</u>	0.0	0.0	326.0

- Funds would be used for emergency repairs and replacements resulting from unexpected emergencies. Funds will not be used on existing needs.

- FY 95 emergency capital needs were funded through reworking and reallocation of existing capital projects and through some operating funds.

Recommendation: 1)

78
411

PROJECT TITLE: Department of Administration Pioneer Homes Emergency Repairs and Replacement		COMPLETION DATE: June, 2001
PRIORITY: 20	HEALTH & SAFETY/DEFERRED MAINTENANCE	LOCATION: Statewide
PROGRAM: Social Service		ELECTION DISTRICT: 99
	FUNDING	OPERATING COSTS
		POSITIONS (PFT)
		NEW
1002	Federal Receipts	
1003	General Fund Match	
1004	General Fund	
1005	General Fund Program Receipts	
1006	General Fund Mental Health Trust	
1022	Corporate Receipts	126 0
TOTAL		126 0

PROJECT DESCRIPTION AND JUSTIFICATION

The Department of Administration has identified numerous repairs and renovations in order to bring the Pioneer Homes (back up to minimum) state and federal standards of care for the residents, and to ensure the continuing health and safety of residents and employees. The Department of Administration's original request was for over \$6.5 million to accomplish all the recommendations for life and safety improvements, correction of code violations and structural improvements contained in the 1992 Bettsworth study of the homes. AICCA's original does not allow for implementation of any of the corrective recommendations needed.

This request is for emergency repairs and replacement for unexpected emergencies. This amount of funding allows no progress on the recommendation of the 1992 Bettsworth report to spend \$2.5 million per year on needed repairs. No progress has been made on those recommendations since the end of FY94 (the Department of Administration received no capital funds for the homes in FY95). FY95 emergency capital needs have been funded through reworking and reallocation of existing capital projects, as well as through the use of operating funds which impact the direct care efforts of the homes. Examples of the emergency type of projects are the replacement of the boiler system at the Suba Home, repair of a leak in the roof of the Ketchikan Home (both completed) and replacement of the oil and over-stressed telephone system at the Archorage Home (anticipated). It is essential for the safety of both residents and staff to have a reasonable amount of capital funds for emergency repairs and replacement for the Pioneer Homes.

Page 1 of 1
Revised Date 3/16/95
FY 96

CPI
CAPITAL PROJECTS
DESCRIPTION

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Finance



PO Box 113200
Juneau, AK 99811-3200
(907) 465-3795
FAX (907) 463-4685

MEMORANDUM

DATE: April 10, 1995

TO: Senator Bert Sharp, Chair
Senate State Affairs Committee

FROM: Fred Fisher, Fiscal Analyst
Legislative Finance Division

RE: Lapse of sec. 145, Ch. 208 - A 1990, Alaska Railroad Corporation

Section 12 of the governor's capital budget (SB136/HB268) lapses an appropriation made to the Alaska Railroad Corporation in section 145 of chapter 208, SLA 1990. The \$2 million appropriation was made "to the Alaska Railroad Corporation for purchase of locomotives, rolling stock, and associated equipment costs" in support of development of the Wadsworth Hill coal project. I have attached the backup that accompanied the governor's request for the appropriation for your review.

The language in section 12 of the governor's FY95 capital budget bill calls for the unexpended and unobligated balance of the appropriation, currently estimated at \$11,538,700 with interest earnings, to be lapsed to the general fund effective June 30, 1995. The lapse to the general fund is somewhat unusual in that it does not return the amount lapsed to the source from which it was originally appropriated, i.e. the Railbelt energy fund (AS 37.05.520) a subfund of the general fund.

The Railbelt energy fund was established by Ch. 29, SLA 1990 "to assist in meeting Railbelt energy needs." This language was subsequently amended by Ch. 14, SLA 1993 to read, in part "for programs, projects, and other expenditures to assist in meeting Railbelt energy needs, including projects for retrofitting state-owned buildings and facilities for energy conservation."

I hope this information is of use to the committee, please contact me if you have questions or need any additional information.

Attachment

FOR THE PURCHASE OF LOCOMOTIVES AND ROLLING STOCK

AGENCY (Classification number)

Commissioner Mark Hickey, 465-1900

Department and this instrument is used only for reference.

The purpose of this appropriation is to purchase locomotives and rolling stock to support transportation of coal from Wislone Hill.

The economic benefits from the Wislone Hill project are considerable for the State, Mat-Su Borough, Municipality of Anchorage and the City of Fairbanks. This includes royalty payments, local tax revenue, and approximately 150 to 200 permanent jobs during the 15-year plus mine life.

LINE	DESCRIPTION OF PROJECT	AMOUNT	FY 91
100	Personnel Services		
200	Travel		
300	Contractual Services		
400	Supplies		
500	Equipment		
600	Construction, etc.		
700	Grants, Loans, etc.		
800	CAPITAL OUTLAY	2,000,000	
900	RESERVE		
1000	State Income Tax		
1001	Debt Service		
1002	Contract Fund Balances		
1003	Contract Fund Balances		
1004	Contract Fund	2,000,000	
1005	Contract Fund Balances		
1006	Contract Fund Balances		

AGENCY	AMOUNT	FY 91
1000	1000	
1001	1001	
1002	1002	
1003	1003	
1004	1004	
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1007	1007	
1008	1008	
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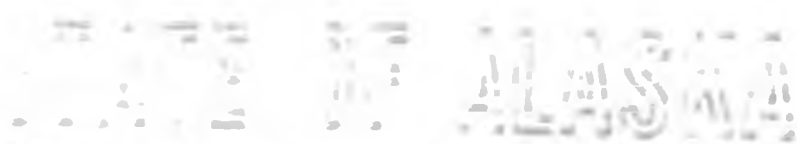
INCREMENTAL
DECREMENTAL
REQUEST

AGENCY Alaska Railroad Corporation

FY 91

AGENCY NAME _____
ADDRESS _____
CITY _____
STATE _____
ZIP _____

Page _____ of _____
Approved _____



STEV COMPER, GOVERNOR

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

OFFICE OF THE COMMISSIONER

P.O. BOX 2
JUNEAU ALASKA 99801-0002
PHONE (907) 463-2900

March 5, 1990

The Honorable Ron Larson, Chairman
House Finance Committee
Alaska House of Representatives
P.O. Box V
Juneau, AK 99811

RECEIVED
MAR 5 - 1990

BUDGET REVIEW

Dear Representative ^{Ron}Larson:

Enclosed please find background information on the Wishbone Hill coal project and the conceptual agreement reached between the State of Alaska and Idemitsu Kosan Co., Ltd. At your request, I have included information on the \$9 million supplemental appropriation to the Alaska Railroad contained in HB 426 at the request of the Governor.

The department has worked closely with the development of the proposed Wishbone Hill Coal Mine and is very supportive of this issue. Please contact me if I can provide additional information for you, or you would like to discuss this in more detail.

Sincerely,

Mark S. Hickey
Commissioner

- cc Ron Clarke, Special Assistant, Office of the Governor
- Bob Evans, Legislative Liaison, Office of the Governor
- Alison Elgee, Director of Budget Review, Office of Management and Budget
- Frank Turpin, President and CEO, Alaska Railroad Corporation
- George Sullivan, Chairman of the Board, Alaska Railroad Corporation

WISHBONE HILL COAL DEVELOPMENT PROJECT

PROJECT DESCRIPTION

Idemitsu-Kosan, Inc. (IKI) has agreed to develop coal properties at Wishbone Hill, which is near Sutton, Alaska. IKI indicates that sales are already committed on the project, making the development schedule quite time sensitive. IKI must bring the mine on line and into production by no later than late 1991.

In mining the coal, IKI plans to ship one million tons of coal per year, for a period of at least twelve to fifteen years. The coal will be moved by truck from the mine site to transfer facilities at Palmer, and then by the Alaska Railroad Corporation (ARRC) to Seward for marine shipment to Japan.

HIGHWAY IMPROVEMENTS

In order to facilitate safe and economic movement of the coal over the Glenn Highway, an agreement was reached in April 1989, between the State of Alaska and IKI to provide for necessary highway improvements. Attachment A is a copy of that document.

Improvements to be made include a pavement overlay needed shoulder additions, truck climbing lanes, and intersection improvements. Total project cost is estimated at approximately \$13 million. Most of these costs will be paid through the state's federal-aid highway program.

\$2.2 million in general funds was appropriated last session to pay for non-federal eligible improvements needed to address special aspects, primarily attributable to the truck move. IKI has agreed to reimburse the state for their share of those expenditures through quarterly payments with interest over the life of the project. IKI has also agreed to repay these funds if operations don't proceed, or cease prior to the end of the anticipated period of operations.

Project completion is scheduled to coincide with IKI's intended start-up in late fall of 1991.

RAILROAD EQUIPMENT

The volume of coal to be hauled dictates a dedicated unit train on a year-round basis. Assets of the ARRC are not currently adequate to meet this need. As a result, it will be necessary to acquire five (5) locomotives of approximately 3000-hp each and seventy-five (75) hopper cars of 100-ton capacity each. A sixth locomotive will also be needed, but is already available at the ARRC and is being provided without adjustment to the rate.

While exact prices depend on bids and therefore cannot be determined at this time. It is estimated that the locomotives will range in price from \$1 to \$1.2 million per unit. The hopper cars will range from \$40,000 to \$60,000 per unit, depending largely on whether or not the ARRC can take advantage of ongoing contracts which may exist for other railroads.

The ARRC could finance the equipment acquisition and has consistently indicated a willingness to do so with the cost recovered through an increased rail rate. Project economics do not allow for the addition, which is why a state grant has been proposed to purchase the unit train.

If delivery of the equipment is to occur by October of 1991, orders would have to be placed by no later than June, 1990. IKI has other equipment purchases they need to make even earlier, which is the primary rationale for prompt attention to the appropriation request. Although unlikely, should any funds remain from the \$9 million appropriation after equipment acquisition, there are several other related capital costs for which the funds would be utilized (e.g., heated switches; branch line rail replacement).

APPROPRIATION REQUEST

In response to the railroad equipment problem, the State and IKI recently reached an agreement-in-principle announced by Governor Cowper on February 21, 1990. Attachment B is a copy of the press release. Efforts are underway to complete a written agreement for execution in the near future.

IKI agreed to proceed with the project, including acceptance of the starting rail rate. In exchange for a commitment by the administration to request and seek passage of an appropriation of \$9 million to the ARRC for purchase of the unit train and related equipment. IKI also agreed to repay the state for any unused portion of the equipment if IKI terminates operations earlier than proposed, thereby underwriting the risk from making this investment.

The following is the basis for the \$9 million request:

5 3000-hp locomotives @ \$1.1 million	\$5,500,000
75 100-ton hopper cars @ \$45,000	3,375,000
Price variations/related equipment	<u>125,000</u>

Total: \$9,000,000

PROJECT JUSTIFICATION

There are a number of benefits to the state and local area from this project. The Department of Natural Resources (DNR) estimates approximately \$1.1 to \$1.2 million a year in royalty taxes. There will be additional revenues to the state from land leases, mining license taxes, corporate income taxes, and motor fuel taxes. The local area will also receive tax benefits, including approximately \$90,000 a year in Mat-Su property taxes.

The direct, year-round employment benefit is expected to run as high as 250 jobs, if the ARRC and Seward area impact is added. The majority of these jobs will be in the Mat-Su at the mine site or associated with the truck haul. IKI has made an explicit commitment to Alaska hire. See Attachment A, Section 5.8.

There are a number of more intangible benefits as well. The addition of this activity more than doubles Alaska's export coal activity. Many closely involved in the industry believe the addition of the high BTU, low moisture coal from Wishbone will greatly help Alaska's ability to market our coal internationally. Clearly the addition of this volume greatly aids the economics of the current Suncoast export coal operation. This is a direct benefit to Seward, the ARRC and Usibelli Coal Mine, Inc.

OTHER CONSIDERATIONS

Matanuska River Rail Extension: Some have proposed that the ARRC should extend the branch line north from Palmer to the mine, thereby avoiding the impact from the truck haul. The railroad once operated in this area, and portions of the right-of-way remain. Although few would disagree that this option would be preferable, project economics prohibit this option. There is also some question whether the extension could be completed within the time schedule.

Independent Economic Assessment: As part of the decision-making process to support state financial assistance for the unit train, the Cowper administration undertook an independent economic analysis of the project. An interdisciplinary team of experts was created to conduct the assessment, a portion of which consisted of a review of IKI's financial data and model used internally by the company to make their basic investment decision. This part of the effort was conducted under certain confidentiality assurances negotiated between IKI and the Attorney General's Office.

The team worked under the general direction of the Commissioner of the Department of Transportation and Public Facilities (DOT&PF), with direct management by the Alaska Industrial Development and Export Authority (AIDEA). Team members included representatives from DOT&PF, AIDEA, DNR, the Department of Commerce & Economic Development and the Department of Labor. A wide range of knowledge and expertise was present, including transportation economics, mining development and major project construction.

The basic mission of the group was to develop an independent opinion about the project's economics, including individual components, and to assess the accuracy of IKI's representations about the project, particularly the question of whether the project could support financing the needed rail equipment. Although the state's confidentiality agreement prevents a detailed disclosure, the team's activity and findings can be summarized as follows:

- (1) IKI's basic representations about costs and the project's economics were verified through review of their financial data and model with no major exceptions. Ultimately project economics will improve if the coal world market price increases, as it is projected to do in the project's out years. IKI is bearing a significant portion of the initial project risk, which prohibits accepting the added unit train cost.
- (2) An independent estimate was prepared to assess the various costs components, resulting in a remarkably close replication of IKI's information. One area receiving particular scrutiny involved the marine component, where IKI will move the coal using their own vessel. The state's review showed reasonable costs assigned to this component, costs similar to what one could expect to encounter in an arm's length transaction.

Wishbone Hill Appropriation:	Yield	Maturity	COBT	MARKET	Book VALUE	Unrealized Loss
U.S. Bank of Washington Investments						
US Bank of Wash - Salomon Corp. note	5.05%	05/15/95	\$1,935,511	\$1,940,002	\$1,947,817	(\$7,815)
US Bank of Wash - FNMA Discount Notes	5.07%	06/30/95	91,314	92,558	93,208	(950)
US Bank of Wash - Puget Sound Light & Power	6.60%	06/15/95	951,062	963,380	963,962	(582)
US Bank of Wash - Fed Home Loan Bk Strips	5.50%	09/15/95	1,438,751	1,450,990	1,461,078	(10,089)
US Bank of Wash - US Treas Zero's	5.65%	05/15/98	1,430,898	1,418,062	1,512,501	(94,438)
US Bank of Wash - Money Market	4.00%		41,015	41,015	41,015	0
U.S. Bank of Washington - Total Investments			\$5,885,548	\$5,908,007	\$6,019,581	(\$113,574)
Key Bank of Washington Investments						
Key Bank of Wash - US Treas Zero's	6.36%	08/24/95	\$188,283	\$189,295	\$189,200	\$98
Key Bank of Wash - GE Commercial Paper	7.02%	10/18/95	1,425,188	1,438,625	1,438,271	3,354
Key Bank of Wash - GE Commercial Paper	6.63%	10/24/95	954,500	958,350	950,350	0
Key Bank of Wash - GE Commercial Paper	6.63%	10/24/95	341,711	343,089	343,089	0
Key Bank of Wash - FNMA Discount Notes	7.03%	11/10/95	1,571,587	1,588,579	1,583,079	2,900
Key Bank of Wash - FNMA Discount Notes	6.50%	11/13/95	1,001,410	1,003,796	1,005,591	(1,794)
Key Bank of Wash - Money Market	2.85%		2,914	2,914	2,914	0
Key Bank of Washington - Total Investments			\$5,483,582	\$5,523,649	\$5,519,094	\$4,555
Wishbone Hill Total Investments			\$11,370,141	\$11,428,656	\$11,538,675	(\$109,018)

NEWS RELEASE

STATE OF ALASKA

OFFICE OF THE GOVERNOR
P.O. BOX A
JUNEAU, ALASKA 99811

STEVE COWPER,
GOVERNOR



FOR INFORMATION CONTACT:

DAVID RAMSEUR
PRESS SECRETARY

TERRENCE O'MALLEY
DEPUTY PRESS SECRETARY

(907) 465-3500

FOR IMMEDIATE RELEASE
Feb. 21, 1990
No. 90-33

COWPER ANNOUNCES MAT-SU COAL PROJECT AGREEMENT

JUNEAU--Gov. Steve Cowper announced today the state and the Japanese firm of Idemitsu Kosan Co., Ltd., have reached a conceptual agreement that permits the development of the Wishbone Hill coal project in the Mat-Su Valley that will generate about 200 jobs annually during the estimated 15-year life of the project.

Under the agreement reached today between Cowper and top officials of the firm, the state will invest \$9 million for new locomotives and coal rail cars through the Alaska Railroad to transport the coal to Seward. In turn, the company has agreed to proceed with the project that will generate an annual payroll of about \$10 million and to reimburse the state for the new train should they withdraw from the project sooner than planned.

"This is one of the most promising natural resource development projects in Alaska today that will directly benefit Alaskans and the Alaska economy," Cowper said. "State investment in the Wishbone Hill project is appropriate because it's the state's business to assist private industry with transportation systems. Idemitsu Kosan is a responsible company that has worked closely with the Alaskans who will be most directly affected by this project."

"We appreciate Governor Cowper's understanding and the cooperation of local and state officials in getting this project moving," said Jiro Hayashi, director and general manager of the Idemitsu Kosan's Energy Development Department. "We look forward to a long and productive relationship with Alaska that will benefit us both."

•MORE•

Idemitsu Kosan has been in the process of developing the Wishbone Hill coal reserve located northeast of Palmer for the past two and half years. The coal is to be mined and then shipped by covered truck 12 miles to the railroad terminal in Palmer. There it will be washed before shipment on the railroad to the Suncoast coal loading facility in Seward.

Cowper said he will ask the Legislature to appropriate \$9 million through the supplemental appropriation request currently pending before lawmakers. Early approval of the funding is necessary because Idemitsu Kosan must commit to purchase equipment for the project by April.

The Governor and top officials of the company met in his office today to work out details of the agreement. Idemitsu Kosan agreed to reimburse the state for the cost of the new train on a prorated basis should the project not extend at least 12 years.

Last April, Cowper and the company signed an agreement to permit improvement of the Glenn Highway. The state is contributing \$3.5 million toward road improvements; the company is funding the other half. The first coal is expected to be produced by November 1991 and about 1 million tons will be produced and shipped annually.

Cowper wants state to buy \$9 million train for coal mine

By CHARLES WOLFORTH
Daily News reporter

Gov. Steve Cowper (Wednesday) asked the legislature to buy a \$9 million railroad train to save money for a Japanese company that plans to mine coal in Sutton, Idemitsu Kosaka, a large Japanese energy company, told the state that it could not make money with the Wishbone Hill mine if it had to pay for the 20 new cars

and four new locomotives the Alaska Railroad said it needed to move the coal. Matanuska Valley politicians might drop the \$50 million project, which Idemitsu said will bring 200 jobs for 18 years, starting in November 1991. But Idemitsu has never said publicly that it might drop the project without the train. The state has already put

up \$3.5 million to improve the twisting Glenn Highway between Sutton and Palmer for the company's coal trucks, which will pass every few minutes Idemitsu put in another \$3.5 million. The company plans to truck the coal to Palmer, carry it toeward by train, then load it on ships bound for Japan. After the mining and shipping, the coal would cost more than coal from

mines in Australia, Idemitsu said. The Alaska Department of Transportation analyzed confidential Idemitsu documents on its costs and agreed that they were too high to make the mine work without a state subsidy, said Rep. Curt Menard, D-Wash. Idemitsu said in a press release that the mine will benefit the economy. "State

investment in the Wishbone Hill project is appropriate because it's the state's best road to what private industry will transportation systems," Cowper said. He will ask for early approval of the spending so Idemitsu can complete other business commitments in April, Cowper Press Secretary David Ramasour said. In return, Idemitsu agreed that if it closes the mine and

no longer needs the train, it will pay the state shipping fees as if it were still using the train. Menard said the mine will bring the state \$500,000 a year in royalties, \$300,000 a year in road fuel tax, and will generate for the state \$200,000 in property taxes. Idemitsu Kosaka, either

Phases see Back Page C-04

COAL TRAIN: State wants to buy one

Sutton Coal Mining



Continued from Page A-1

asked the state to lower its coal royalty fees to make the mine economically viable, but the state refused.

The cost of the train long has been cited as the final problem in making the mine work. The railroad and Idemitsu Kosaka negotiated a freight tariff in talks which were kept secret from the public, but which local government leaders and legislators frequently quoted to Valley reporters off the record.

Borough officials fretted over the costs quoted by the two parties until the Mat-Su Borough Assembly last month offered to buy the train itself, with state help.

Menard said the railroad claimed that the tariff Idemitsu was willing to pay would only cover the railroad's operating and maintenance costs. Idemitsu said the higher tariff the railroad said was needed to pay for the equipment would make the coal too expensive, Menard said.

Menard said Idemitsu's final offer was 15 percent below the railroad's.

The railroad, which is run as a private business separate from the state government, will be allowed to keep the profit yielded by the state-funded train, Menard said.

Menard said that the state's purchase of the train will be like building roads that support economic development. He compared it to

government spending on roads and utilities to attract Federal Express to operate a package delivery hub at the Anchorage International Airport.

The train cars and locomotives will last 25 to 30 years

and the mine will be played out in 13, so the railroad can still use them for something else, Menard said. Others have suggested the state recoup its expenses by selling the used train after the mine closes.

Coal-car funds may wind up in regular budget

By BILL KELLER
Times Valley Bureau

PALMER — The legislature favors spending \$9 million on coal cars for the Alaska Railroad Corp., but it may not put the money in the supplemental appropriations bill as the governor asked, says a Palmer legislator.

Rep. Ron Larson, D-Palmer and co-chairman of the House Finance Committee, said Friday that it may be too late to add the money to the supplemental appropriations bill, which has already been approved by the Senate Finance Committee.

Larson said the money may end up

in the state's regular capital budget bill.

"That is fine with us, as long as it does not get tacked on to a bill the governor opposes," said Terrence O'Malley, Gov. Steve Cowper's deputy press aide.

Larson said legislators are debating whether to appropriate the \$9 million from the state's general fund or from the \$200 million Railbelt Energy Fund.

"I believe all these problems will be worked out in a timely fashion, but there are some hurdles still to be cleared and I believe the public should know it," Larson said. "I can

say that I have yet to talk to a legislator who did not support the project."

Cowper announced Wednesday that his office, railroad officials and Senate and House leaders had agreed to appropriate the money to allow the railroad to purchase up to 70 coal hopper rail cars and five diesel locomotives.

The new equipment will be used to transport coal from a mine proposed at Wishkone Hill by Japan's Idemitsu Kosan Corp. The site is located off the end of Buffalo Mine Road, about 12 miles north of Palmer on the Glenn Highway.

The mine is expected to produce

up to 1 million tons of coal annually, provide up to 200 permanent jobs for the estimated 15-year life of the mine, and have an annual payroll of \$10 million.

Though Idemitsu Kosan officials want to begin development of the mine site as early as this summer, they balked when told the Alaska Railroad expected the firm to pay for the coal cars and locomotives to transport the coal.

The project snagged for a while, until the state agreed to purchase the rolling stock. In return, Idemitsu Kosan promised to pay the state back

See Coal, page H-3

Coal

Continued from page B-1

\$9 million if the company should pull out of the mine project early.

"We think it makes good sense for the state to buy the rolling stock," Frank Turpin, the railroad's president and chief executive officer, said from his Anchorage office Friday.

Turpin said Alaska coal is expensive and the added railroad tariff for shipping the coal to port in Seward would have made the coal too expensive to compete in the international market.

"This way, the state subsidizes the coal industry a little bit by allowing us to reduce the tariff," he said. "That makes the coal more competitive, and it sends a signal to the Pacific Rim countries that we are interested in facilitating export trade opportunities."

Another advantage, he said, is that the railroad will get to keep the rolling stock after the mine has played out.

In a related development,

Alaska Aggregate Corp., Idemitsu Kosan's subsidiary, has entered discussions with Idemitsu Kosan to provide trucks, a stockpile area and transportation facilities for the coal mine. Alagco is a wholly owned subsidiary of the Japan-based Seilaska Corp.

The company would use its Palmer operations, located at Mile 26 of the Glenn Highway, to stockpile coal produced at the mine, said Alagco assistant general manager Dan Dorrain.

Dorrain said Friday that Alagco wants to truck the coal from the mine site to the firm's from the mine site to the firm's Palmer operations site, stockpile the coal there and then transfer it to the railroad's coal hopper cars.

Idemitsu Kosan hopes to be producing coal from the Wishkone Hill site by November 1991. When that happens, Dorrain said, trucks will be making the 12-mile run from the mine to Alagco's facilities about every 15 minutes.

Ch. 208, S.L.A 90 Railbelt Energy Fund Appropriations

Project	Entity	Amount
Healy Cogeneration Project	AIDEA	25,000,000
Seward Electrical Transmission Line	City of Seward	9,500,000
Wishbone Hill Coal Project Train	AK Railroad	9,000,000
Ship Creek Redevelopment Project	Anchorage Municipality	2,500,000
Weatherization & Energy Conservation	DC&RA	1,600,000
Weatherization & Energy Conservation	DC&RA	600,000
AK Home Craftsman Program	DC&RA	600,000
AK Energy & Retrofit Program	DC&RA	2,200,000
Job Corps Facility	Mat-Su Borough	1,700,000
UAF Natural Sciences Bldng.	University of AK	23,000,000
UAA Classrooms	University of AK	16,500,000
Alyeska Utilities Water and Sewer	Anchorage Municipality	2,300,000
Seibu Alaska Development	AEDC	3,800,000
Kenai Solid Waste Disposal Facility	Kenai Penin. Borough	1,100,000
Kenai Fire Training Facility	University of AK	1,000,000
Kenai Senior Housing	City of Kenai	3,300,000
Neighborhood Revitalization	Anchorage Neighborhood Housing	1,700,000
	TOTAL.	105,400,000
Interties*	Intertie Reserve Fund	100,000,000

* \$100,000,000 was appropriated to the Intertie Reserve Fund to be held until the Legislature appropriated from the fund for intertie projects. Appropriations from the Intertie Reserve Fund were made subsequently in Ch. 19, S.L.A 93

SB

141

(File 1)

DATE: August 6, 1996

TO: Ann Ringstad, Committee Aide, STA

FROM: Susie Barnett, Staff
Ethics Committee

RE: Amendments to SB 141

Code	Sponsor	Dated	Topic	ADOPTED?
K.1	Toohy	4/5/95	Change comm. make-up	
K.2 - K.9:	Unknown			
K.10	Ethics	10/10/95	Conflict of Interest	STAYES
K.11	Ethics		SUPERSEDED BY Amendment K.17	
K.12	Ethics		REMOVED FROM CONSIDERATION	
K.13	Ethics	10/10/95	Informal Advice	
K.14	Ethics	10/10/95	Spousal Lobbyists	
K.15	Ethics	12/29/95	Corrective Actions	STAYES
K.16	Unknown			
K.17	Ethics	1/11/96	Immediate Family STA language changed re: conjugal	Intent OK'd by
K.18	Ethics		SUPERSEDED	
K.19	Ethics	1/29/96	Sanctions	STAYES
K.20	STA	2/1/96	Educational Trainees	STAYES
K.21	Donley	1/31/96	Campaign Records	SUPERSEDED by O.1
K.22	Unknown			
K.23	Unknown			
K.24	Donley	1/31/96	Subj. in deliberations	STAYES
K.25	Donley	2/1/96	Discovery	STAYES
K.26	Donley	2/6/96	Legal Defense Fund	STAYES
K.27	Donley	2/6/96	Phone/Fax Use	SUPERSEDED BY K.35?
K.28	Donley	2/7/96	Fund raising notices	
K.29	Donley	?	Incidental staff acts	SUPERSEDED by O.3
K.30 - K.32	Unknown			
K.33	Donley	2/6/96	Discounts benefiting state	SUPERSEDED by O.5
K.34	Unknown			
K.35	Donley	2/7/96	Phone/Fax Use	STAYES
M.1	Phillips	4/27/95	Spousal Lobbyists	STAYES
O.1	STA	2/20/96	Campaign Records	STAYES
O.2	STA	2/19/96	Gifts from Governments	STAYES
O.3	STA	2/19/96	Incidental Staff acts	STAYES
O.4	STA	2/19/96	Fundraising notices	STAYES
O.5	STA	2/20/96	Discounts	STAYES
O.6	?	3/13/96	Ex. Branch emp/campaigning	STAYES
D.5	Donley/Miller	5/1/96	Add to Legal Def. Fund lang	RLS/YES

SB 141 - "AN ACT RELATING TO LEGISLATIVE ETHICS"
SUMMARY OF DOCUMENTS

1. SB 141 - Version 9-LS0174K dated 3/25/95
2. March 30, 1995 - Ethics Committee Sectional review of SB 141
3. Ethics Committee suggested amendments (dated 1/12/96)
 - K.10 Ethics dated 10/10/95 re: Conflict of Interest
 - K.15 Ethics dated 12/29/95 re: Corrective Actions
 - K.17 Ethics dated 1/11/96 re: Immediate Family/Intent OK'd by STA. language changed re: conjugal
 - K.19 Ethics dated 1/29/96 re: Sanctions
4. Ethics Committee analysis (1/29/96) of amendments K.10, K.15, K.17, K.20. also included:
 - K.20 STA am dated 2/1/96 re: Educational Trainees
 - K.21 Donley dated 1/31/96 re: Campaign Records (SUPERSEDED by O.1)
 - K.24 Donley dated 1/31/96 re: Subj. in deliberations
 - K.25 Donley dated 2/1/96 re: Discovery
 - K.27 Donley dated 2/6/96 re: Phone/Fax Use (SUPERSEDED BY K.35)
 - M.1 Phillips dated 4/27/95 re: Spousal Lobbyists
 - K.26 Donley dated 2/6/96 re: Legal Defense Fund
 - K.29 Donley dated 2/6/96 re: Incidental staff acts (SUPERSEDED by O.3)
 - K.28 Donley dated 2/7/96 re: Fund raising notices
 - K.33 Donley dated 2/6/96 re: Discounts benefiting state (SUPERSEDED by O.5)
 - K.35 Donley dated 2/7/96 re: Phone/Fax Use/reimbursement to state
5. S. STA staff notes re: 2/6/96 amendments re: "M" version (2/12/96)
6. CSSB 141(STA) version "O" dated 2/19/96 with amendments noted
7. Proposed amendments to version "O":
 - M.1 by Phillips re: spousal lobbying
 - O.1 by Donley re: maintaining campaign records in office (was K.21)
 - O.4 by Donley re: distribution of fund raising notices by staff (was K.28)
 - O.3 by Donley re: "incidental" campaign activities (was K.29)
 - O.5 by Donley re: deletes reference to receipt of discount benefiting state (was K.33)
 - O.2 by Ethics Committee re: addresses gifts received from state govts
 - K.26 by Donley re: Legal Defense Fund
 - K.25 by Donley re: complaints/disclosure to Ethics Committee/subject
 - K.24 by Donley re: attendance by subject at all Ethics Comm meetings
8. Ethics Committee review of draft "O" (dated 2/22/96)
9. Ethics Committee summarized review of "O" draft (dated 2/23/96)
10. S. STA staff notes re: "O" version and conceptual amendments (3/26/96)
11. CSSB 141 (STA) version "R" dated 3/25/96

12. Ethics Committee staff comments re: 3/26/96 amendments (dated 3/28/96)
13. Legal Services opinion re: amendment prohibiting spouses of lobbyists from testifying before the legislature? (dated 3/28/96)
14. APOC comments on Version "R" with proposed amendments (dated 3/28/96)
15. Ethics Committee comments re: version "R" (dated 4/2/96)
16. CSSB 141 (STA) version "U" dated 4/2/96
17. Senate State Affairs Committee report dated 4/2/96 w/letter of Intent. FN
18. MacSelle, Chair, Ethics Comm. comments re: amendments to Version "U"
19. CSSB 141 () version "W" dated 4/12/96 work draft prepared for S. Rules
20. Ethics Committee staff analysis of version "W" dated 4/12/96 (4/18/96)
21. APOC comments re: Rules Committee version re: Executive vs. Legislative ethics statute amendment recommendations (dated 4/26/96)
22. Department of Labor comments/recommendations re: unemployment benefits (dated 4/26/96)
23. Ethics Committee review of version "Z" dated 4/27/96
24. Technical changes to Ethics legislation from Legal Services (dated 4/29/96)
25. Ethics Committee staff review of CSSB 141 (RIS) (dated 5/1/96)
26. Fiscal notes attached to CSSB 141 (RIS) (dated 4/30/96)
27. Discussion papers re: Executive vs. Legislative Ethics Statutes
28. House action on SB 141 (held in House Finance Committee in final hours of 1996 session)

LEGAL SERVICES

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

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 2101


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

MEMORANDUM

March 27, 1996

SUBJECT: Comparison of Executive Branch Ethics Act (AS 39.52) with
Legislative Ethics Act (AS 24.60) (SB 141)

TO: Senator Due Pearce

FROM: Teresa H. Cramer 
Legislative Counsel

You have requested a comparison of the ethics acts for the legislative and executive branches of state government. The Executive Branch Ethics Act is found at AS 39.52. The Legislative Ethics Act is found at AS 24.60.

POLICY STATEMENTS

AS 39.52.010 states the policy for the Executive Branch Ethics Act, including maintaining high moral and ethical standards, discouraging acting upon personal and financial interests in performing public duties, and promoting and strengthening the faith and confidence of the people of the state in public officers.

AS 24.60.010 states findings and purpose for the Legislative Ethics Act, including maintaining high moral and ethical standards, fair and open government, the public's commitment to a part-time citizen legislature, and fair administration of the ethics code.

APPLICABILITY

AS 39.52.91(DA) states that AS 39.52 applies to all public officers within executive branch agencies, including members of boards or commissions, except as specifically provided in the chapter. The chapter does not apply to former public officers unless the statutes specifically so state. The Executive Branch Ethics Act is not subject to collective bargaining.

Definitions of "Public Officer" and "Public Employee" -- AS 39.52.960(20) and (21)
For the most part, the Executive Branch Ethics Act imposes obligations and restrictions on "public officers," defined as public employees of an executive branch agency and members of boards and commissions in the executive branch. See AS 39.52.960(21). Public employees and members of boards and commissions are treated the same except that restrictions on outside employment apply only to public employees (AS 39.52.170), there

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are different provisions concerning representation before public boards (AS 39.52.160), there are different disclosure requirements when the public officer is faced with a possible conflict (AS 39.52.210), different provisions for advisory opinions (AS 39.52.240), different penalties (AS 39.52.410) and different disciplinary actions (AS 39.52.420). There are no exceptions to coverage based on type of work performed or salary paid to an employee.

"Public employee" is defined as any employee of an executive branch agency, whether in the classified, partially exempt, or exempt service. AS 39.52.960(2). The definition includes the elected officials of the executive branch (the governor and the lieutenant governor) as well as all other employees, from the commissioner of a department on down.

AS 24.60.020(a). The Legislative Ethics Act applies to members of the legislature and to legislative employees. With a few exceptions, it does not apply to newly-elected, nonincumbent legislators or to former employees.

AS 24.60.990(a)(10) defines "legislative employee" to include those compensated by the legislative branch in return for regular or substantial personal services, regardless of pay level or full-time or part-time status or employment as a contractor or consultant. The definition excludes individuals who perform functions that are incidental to legislative functions, including security, messenger, maintenance, and print shop employees as well as other categories of employees designated by the ethics committee.

SUPERSEDING THE COMMON LAW

AS 39.52.910(b) states that AS 39.52 supersedes the common law and personnel rules relating to conflicts of interest except for rules on nepotism. Those rules would still apply. AS 24.60.020(b) states that AS 24.60 supersedes the common law.

SCOPE OF THE CODE

AS 39.52.110 reaffirms that public officers hold office as a public trust and that they violate that trust if they make an effort to benefit a personal or financial interest through official action. The section adds that so long as it does not interfere with the full and faithful discharge of an officer's public duties and responsibilities, the Executive Branch Ethics Act does not prevent an officer from following independent pursuits. In subsection (b), there is a statement prohibiting unethical conduct but recognizing that there is no substantial impropriety if, on a specific matter, the public officer's personal or financial interest is slight or of a type possessed generally by the public or large class of persons or if the public officer has only insignificant or conjectural ability to effect the matter.

Legislative Ethics Act does not contain a similar section, although the exceptions to finding an impropriety when a public officer has an interest of a type possessed by the general public

or a large class of people are found in AS 24.60.080(c)(2), permitting the acceptance of certain kinds of discounts.

CONFLICTS OF INTEREST

Compensation in addition to state salary

AS 39.52.120(b)(2) prohibits public officers from accepting, receiving, or soliciting compensation for the performance of official duties or responsibilities from a person other than the state.

AS 24.60.030(a)(1) prohibits legislators and legislative employees from soliciting, agreeing to accept, or accepting a benefit other than official compensation for the performance of public duties. There is an exception that permits soliciting and accepting campaign contributions and gifts under AS 24.60.080.

Use of public assets and resources

AS 39.52.120(b)(3) prohibits public officers from using state time, property, equipment, or other facilities to benefit personal or financial interests.

AS 24.60.030(a)(2) prohibits legislators and legislative employees from using public funds, facilities, equipment, services or other assets or resources for a nongovernmental purpose or for the private benefit of themselves or anyone else. There are exceptions for limited use that do not interfere with the performance of public duties and for which the cost is nominal; for using lawfully obtained mailing lists, computer data, and other information that is generally available; and for telephone use that does not carry a special charge.

Using public funds for improper purpose; claiming improper reimbursements.

Executive Branch Ethics Act. I have found nothing directly on this topic in AS 39.52. Under AS 39.52.120(a), there is a general prohibition against using official position for personal gain.

AS 24.60.030(a)(3) prohibits knowingly misapplying public funds for a purpose other than the purpose approved by law and also prohibits making a false statement in connection with a claim for reimbursement or travel allowances from public funds.

Performing services for private benefit

AS 39.52.120(b)(5) prohibits public officers from attempting to benefit a personal or financial interest through coercion of a subordinate.

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AS 24.60.030(a)(4) prohibits a legislator or legislative employee from requiring another legislative employee to perform services for the private benefit of the legislator or employee at any time and also prohibits allowing a legislative employee to perform services for the private benefit on government time. There is an exception for services performed in unusual or infrequent situations when necessary to permit the legislator or legislative employee to perform official duties.

Use of state assets and resources for political fund raising and campaigning

Executive Ethics Act does not contain anything that directly addresses this point. The prohibitions against using an official position for personal gain in AS 39.52.120(a) and against using state resources to benefit personal or financial interests in AS 39.52.120(b)(4) would prohibit this conduct.

AS 24.60.030(a)(5) prohibits using or authorizing the use of state assets and resources for political fund raising or campaigning. The same exceptions that apply in AS 24.60.030(a)(2) apply here.

Political activities on government time

Executive Ethics Act. AS 39.52 does not contain anything that directly prohibits public employees from engaging in political activity on government time. The prohibitions against using an official position for personal gain in AS 39.52.120(a) and against using state resources to benefit personal or financial interests in AS 39.52.120(b)(4) would make this conduct a violation of AS 39.52. The State Personnel Act restricts the political activities of executive branch employees who are in the classified service. See AS 39.25.160.¹

¹ AS 39.25.160 addresses political activity by classified and partially exempt employees and states, in part:

Sec. 39.25.160. PROHIBITIONS GENERALLY. (a) A classified employee may not take an active part in the management of a political party above the precinct level.

• • •

(c) A person may not require an assessment, subscription, contribution, or service for a political party from a state employee.

(d) A person may not seek or attempt to use a political party endorsement in connection with an appointment or promotion in the classified service.

(e) An employee in the classified or partially exempt service who seeks nomination or becomes a candidate for state or national elective political office shall immediately resign any position held in the state service. The employee's position becomes vacant on the date the employee files a declaration of candidacy for state or national elective office.

(continued...)

AS 24.60.030(b) prohibits legislative employees from assisting in political party or candidate activities, campaigning, or fund raising. The subsection also prohibits legislators from requiring an employee to perform an act in violation of the subsection. The prohibition against political activities does not apply to legislators.

Mass mailings at election time

Executive Ethics Act. AS 39.52 does not contain anything that directly addresses this point. As noted above in the discussion on political activities on government time, there are restrictions on campaign activity that apply to executive branch employees.

AS 24.61.030(c) prohibits using state funds other than a legislator's office allowance to print or distribute a mass mailing from or about a legislator who is a candidate for election to a state political office during the period beginning 90 days before the primary election and continuing until after the general election.

Posting political material

Executive Ethics Act. I have found nothing in AS 39.52 that directly prohibits posting campaign material in a state building or other facility. However, under AS 39.25.178(3) (which is part of the State Personnel Act), a state employee may not display or distribute partisan political material while engaged on official business.

AS 24.60.030(d) prohibits legislators and persons acting on behalf of legislators from distributing and posting campaign literature, placards, posters, and other communications intended to influence other election of a candidate in public areas in a facility ordinarily used to conduct state business.

Taking action in response to political contributions and charitable donations

AS 39.52.120(a) prohibits public officers from using their official position for personal gain or for securing or granting unwarranted benefits or treatment for any person.

(...continued)

• • •

(g) Action affecting the employment status of an employee in the classified service or an applicant for a position in the classified service, including appointment, promotion, demotion, suspension, or removal, may not be taken or withheld on the basis of unlawful discrimination due to political beliefs.

• • •

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AS 24.60.030(e)(1) and (2) prohibit legislators from taking or withholding official action or perform a constituent service as a result of someone's decision to provide or not provide a political contribution or a donation to a cause favored by the legislator, or provide or not provide anything of value to anyone.

Taking official action concerning a prospective employer

AS 39.52.120(b)(1) prohibits a public officer from seeking other employment or contracts through the use or attempted use of official position.

AS 24.60.030(e)(3) prohibits a legislator from taking or withholding official action or exerting official influence to affect the financial interest of a person with whom the legislator is negotiating for employment. (Note that in the Alaska Statutes, "person" includes corporations, companies, partnerships, firms, associations, organizations, business trusts, societies and natural persons. See definition at AS 01.10.060(8).)

Service on boards

AS 39.52 is meant to apply to state members' boards and commissions as well as to public employees. There is no express limitation on the ability of a public employee to serve on a board or commission. There is no disclosure requirement unless a specific potential conflict develops.

AS 24.60.030(f) prohibits legislative employees from serving in a position that requires confirmation by the legislature. It permits legislators and legislative employees to serve on boards of public and private organizations and requires disclosure to the legislative ethics committee of board memberships in which the board has a substantial interest in the legislative activities of the legislator or legislative employee.

Taking action that affects a substantial financial interest

AS 39.52.120(b)(4) prohibits a public officer from taking or withholding official action in order to affect a matter in which the public officer has a personal or financial interest. Note that in AS 39.52.120(c), there is a prohibition that applies only to members of the Boards of Fisheries and Game, requiring full disclosure of all personal or financial interests relating to fish or game resources before the board member may act on a matter before the board.

AS 24.60.030(g) prohibits a legislator or legislative employee from participating in official action if the legislator or employee has a substantial equity or ownership interest in an enterprise if the effect of the action on that interest is greater than the effect on a substantial class of persons to which the person belongs. However, if the Uniform Rules require the legislator to participate, then he or she must.

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Restrictions on fund raising

AS 39.52 does not contain a provision directly prohibiting public officers from political fund raising. As noted in the discussion on political activities on government time, there are restrictions on some kinds of political activity. See footnote 1 for the text of AS 39.25.160.

AS 24.60.031 prohibits legislators and legislative employees from soliciting or accepting a contribution for a state legislative campaign during a legislative session, from accepting money from a campaign event held during a session, and from spending money in a state legislative campaign that was raised by or for the legislator during a legislative session under a general letter of intent to become a candidate.

Restrictions on employee candidacies

AS 39.52 does not address employee candidacies but the State Personnel Act does. AS 39.25.160(e) requires employees in the classified and partially exempt services who become candidates for state or national elective political office to immediately resign from state service. The employee's position becomes vacant on the date that the employee files a declaration of candidacy. AS 39.25.160 does not apply to employees in the exempt service. See footnote 1 for the text of AS 39.25.160(e).

AS 24.60.033 prohibits legislative employees from filing a letter of intent to become a candidate or a declaration of candidacy for the legislature.

Protection for whistle blowers

AS 39.52 does not make violation of the state whistleblower laws a violation of the Executive Branch Ethics Code. Under the terms of the State Whistleblower Act, AS 39.90.100 - 39.90.150, state employees (in all three branches of state government) who report a matter of public concern to a public body are entitled to job protection.

AS 24.60.035 makes penalizing a person who reports to a government entity, including the ethics committee, conduct that the person making the report reasonably believes to be a violation of state law a violation of the ethics code. A legislative employee who is penalized in violation of this statute may file an ethics complaint and may also bring a separate civil action in the courts seeking damages, payment of back wages, reinstatement, or other relief. A violation of AS 24.60.035 would also probably violate AS 39.90.100 - 39.90.150. Under AS 39.90.120, a person may bring a civil action and receive appropriate relief, including punitive damages. A person who violates AS 39.90.100 is also liable for a civil fine of not more than \$10,000.

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Open meetings compliance

AS 39.52 does not make failure to comply with the open meetings law a violation of the Executive Branch Ethics Act. Under AS 44.62.300 - 44.62.312, meetings of administrative boards, councils, and other groups in the executive branch of state government are subject to the open meetings law.

AS 24.60.037 requires legislators to comply with open meetings principles and directs the ethics committee to develop guidelines, which initially are subject to legislative approval. The committee is required to dismiss a complaint filed against a legislator who complies with the guidelines even if the conduct would have violated the open meetings principles.

Unlawful employment discrimination

AS 39.52 does not make a violation of the Alaska Human Rights Law prohibiting employment discrimination a violation of the Executive Branch Ethics Act. AS 18.80.220, the state law prohibiting employment discrimination applies to all state employees.

AS 24.60.039 makes violation of AS 18.80.220 a violation of the Legislative Ethics Act.

State contracts, leases, programs, loans

AS 39.52.150 prohibits a public officer or an immediate family member of a public officer from having a personal or financial interest in a state grant, contract, lease, or loan if the public officer can take or withhold official action that affects the award, execution, or administration of the grant, contract, lease, or loan. There is an exception for grants, contracts, and leases that are competitively solicited. However, there is no exception if the officer is employed by the administrative unit that awards the grant, contract, or lease or by the administrative unit for which it is let or if the public officer takes official action with respect to the award, execution, or administration of the grant, contract or lease.

There is also an exception for state loans if the loan is generally available to the public, has fixed eligibility standards, and if the public officer does not take or withhold official action that affects the loan's award, execution, or administration.

See the discussion of the definition of "immediate family" in AS 39.52.960 for who is included in the definition.

AS 24.60.040 governs contracts and leases. With three exceptions, legislators, legislative employees, and their immediate family members may not receive, directly or indirectly, a financial benefit from the state contract or lease. Legislators, legislative employees, and their family may have an interest in a contract or lease that is let through competitive sealed bids under the State Procurement Code, or that has a total annual value of \$1,000 or less, or that

is a standardized contract or lease, developed under publicly established guidelines, and generally available to the public.

AS 24.60.050 allows legislators and legislative employees to participate in state programs and receive state loans. If the state program or loan is generally available to the public, subject to objective eligibility standards, and requires only minimal discretion in determining qualifications, the legislator or legislative employee may participate without making a disclosure to the ethics committee of the participation. If the program or loan does not meet those standards, the legislator or employee must disclose participation. The legislative ethics committee publishes a list of loans and programs that are subject to the reporting requirement.

Confidential information

AS 39.52.140 prohibits current and former public officers from disclosing or using information gained during or because of their official duties in a way that could result in the officer or anyone in his or her immediate family receiving a benefit. There is an exception if the information has been disseminated to the public. Subsection (b) prohibits current and former public officers from disclosing or using information made confidential by law that they acquired in the course of their official duties unless the disclosure has been authorized.

AS 24.60.060 prohibits legislators and legislative employees from knowingly making an unauthorized disclosure of information made confidential by law and that the person acquired in the course of official duties. The criminal provision cited in this section also applies to executive branch employees.

Close economic associations

AS 39.52 does not require a general disclosure of shared economic interests between public officers and others.

AS 24.60.070 requires legislators and legislative employees to disclose economic relationships involving a substantial financial matter between themselves and certain other people. The disclosure must be made if the relationship is with a supervisor of the legislator or legislative employee; a legislator; someone who has to file a financial disclosure statement under AS 39.50 (elected state officials, members of most state boards and commissions, commissioners, deputy commissioners, and directors in state government, and judges and justices); or a registered lobbyist. In addition, legislators must disclose close economic associations with legislative employees.

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Gifts

AS 39.52.130 prohibits public officers from soliciting, accepting, or receiving a gift that benefits his or her personal or financial interests under circumstances in which it could reasonably be inferred that the gift is intended to influence the performance of official duties, actions, or judgment. Under subsection (b), if a public officer receives a gift worth more than \$50 from someone who could be affected by official action taken by the public officer, the public officer must disclose receipt of the gift to his or her designated supervisor. The designated supervisor can ask for an advisory opinion from the Attorney General concerning whether a public officer may accept a gift without violating the statute. There is an exception in subsection (d) for lawful campaign contributions.

AS 24.60.080 prohibits legislators and legislative employees from soliciting, accepting, and receiving a gift worth \$100 or more (or a series of gifts over the course of a year from the same person that totals that amount). During the legislative session, a legislator or legislative employee may not solicit, accept, or receive a gift worth any amount from a lobbyist. There are six exceptions to the prohibitions against accepting gifts. Gifts of hospitality at a person's residence or at a social event; discounts that are generally available; indigenous foodstuffs shared as a cultural or social norm; travel and hospitality primarily for the purpose of obtaining information on matters of legislative concern; gifts from immediate family members as that phrase is defined for this section; and gifts that are not connected to a person's legislative status. Legislators and legislative employees have to disclose receipt of gifts of travel on matters of legislative concern and, if the gift is worth more than \$250, gifts not related to their legislative status. *A (or affiliate) (or spouse) (or partner)*

Political contributions that are reported to the Alaska Public Offices Commission are not considered gifts under this section. There is also an exception for gifts from foreign governments if they are accepted on behalf of the legislature.

For the gift section only, the definition of "family member" is extended to include grandparents, aunts and uncles, and family members who are related to the legislator or legislative employee by marriage.

Restrictions on earned income

AS 39.52.170 prohibits public employees (but not members of boards and commissions) from working outside the agency which the employee serves if the outside employment conflicts with the proper discharge of official duties. Public employees who work for compensation outside their state job must report the outside employment to their designated supervisors.

AS 24.60.085 prohibits legislators and legislative employees who perform services for someone else from accepting compensation that is not commensurate with the services

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rendered. Legislators and legislative employees are also prohibited from accepting anything of value except actual expenses for making an appearance or giving a speech. However, someone who makes an appearance or speech as part of his or her normal non-legislative employment may accept his or her regular salary for the appearance or speech, and if the speech or appearance is not connected with the person's legislative status, the legislator or legislative employee may accept a payment for the appearance or speech.

Nepotism

AS 39.52.910(b) provides that the State Personnel Rules relating to conflicts of interests, except for the personnel rule on nepotism, are superseded by the Executive Branch Ethics Act. AS 39.90.020 prohibits the spouse of a family member of the executive head of a principal state department or agency to be employed in that department or agency. The family members included within the prohibition are those "within the second degree of kindred." See the discussion of the definition of "family member" under AS 39.52.960 at the end of this memo.

In addition to this statutory prohibition, employees subject to the State Personnel Act are covered by the personnel rule on nepotism.² The Personnel Rule applies to positions in the

² The personnel rule states:

02 AAC 007.950. NEPOTISM.

(a) No person may be employed in the classified or partially exempt service in a department or agency if that person is the spouse of, or is related by blood or marriage, within and including the second degree of kindred, to the principal executive officer of the department or agency, to the principal executive officer's deputy or to an assistant principal executive officer.

(b) An appointing authority may not appoint a person to a classified or partially exempt position in a division of a state department or agency if that person is related by blood or marriage, within and including the second degree of kindred, to the director of that division, to a deputy director, or to an assistant director.

(c) An appointing authority may not appoint a person to a classified or partially exempt position in a state department or agency if that person is related by blood or marriage, within and including the second degree of kindred, to an employee in the department or agency unless the principal executive officer of the department or agency approves the appointment in writing. The principal executive officer of the department or agency may not approve an appointment under this subsection that places a person in a direct supervisory relationship to a person related by blood or marriage within and including the second degree of kindred, or that is prohibited by (a) or (b) of this section.

(d) A copy of any written approval of appointment executed under subsection (c) of this section must be filed with the director.

(continued...)

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classified and partially exempt services and prohibits the employment of relatives of deputy commissioners, division directors, deputy directors, and assistant directors in the same department or agency. There is no exception to these prohibitions.

In addition to the prohibitions based on relationship to agency and office heads given above, two relatives may not work in the same department unless the head of the department approves the second employee's appointment in writing. The department head may not approve the second appointment if one of the related employees will be placed in a direct supervisory relationship over the second employee.

AS 24.60.090 prohibits people who are related to a legislator from working for compensation (1) during the legislative session in the house in which the legislator is a member; (2) for an agency of the legislature; and (3) in either house of the legislature during the legislative interim. In addition, a relative of a legislator may not work for the ethics committee for compensation or for free. Relatives of legislative employees may not work in a position that the legislative employee supervises. The relatives covered by the nepotism statute are defined in the statute to be a member of the legislator's or legislative employee's immediate family or a spousal equivalent. "Immediate family" is defined in AS 24.60.990.

Representation before state agencies

AS 39.52.160 prohibits public officers from representing, advising, or assisting another person in a matter pending before the administrative unit that the officer serves if the representation is for compensation, unless the representation, advice, or assistance and the compensation are required by statute, regulation, or court rule, or otherwise customary. The section also prohibits public officers from representing someone before the administrative unit that the officer serves without compensation if the representation is rendered to benefit a personal or financial interest of the public officer.

The section does not apply to collective bargaining activities. Under subsection (c), a nonsalaried member of a board or commission may represent, advise, or assist in any matter in which he or she has a personal or financial interest regulated by the board or commission that the member serves but the member must comply with AS 39.52.220, which requires the board member to declare a conflict and if a conflict is confirmed to exist, must refrain from participating in board action on the matter.

AS 24.60.100 requires legislators and legislative employees who represent someone for compensation before a state agency, board, or commission to disclose the name of the person represented and the subject matter. The section also prohibits legislators and legislative

(...continued)

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employees from representing someone for compensation before an agency of the legislative branch.

EMPLOYMENT RESTRICTIONS AFTER LEAVING STATE SERVICE

AS 39.52.180 prohibits public officers who leave state service from representing, advising, or assisting a person for compensation regarding a matter that was considered by the administrative unit served by that public officer and in which the public officer took official action. The prohibition applies for a period of two years. Under subsection (b), the agency may contract with the public officer to act on a matter on behalf of the state. Under subsection (c), the agency may waive the prohibition if the waiver is not adverse to the public interest.

Legislative Ethics Act does not contain a prohibition on employment, but the regulation of lobbying statutes and the state constitution do. Under AS 24.45.121(c), a former legislator may not lobby the legislature for compensation for one year after leaving the legislature. Under Art. II, sec. 5 of the state constitution, a legislator may not, during the term for which elected and for one year thereafter, hold an office or position of profit that was created or whose compensation was increased while the legislator served in the legislature. There is an exception for elected office and for the constitutional convention.

DEFINITION OF "IMMEDIATE FAMILY"

AS 39.52 definition of "immediate family"

"Immediate family" is defined in AS 39.52.960(11) to include spouses, relations by blood within the second degree of kindred, and a regular member of the officer's household. "Second degree of kindred" is not defined in the Executive Branch Ethics Act. According to Neil Slotnick in the Department of Law, they do not have an agreed definition on the term. One legal authority suggests that generally the rule adopted in the states in the absence of a statute answering the question is to follow the civil law method of counting. 26A C.J.S. Descent and Distribution Sec. 22, page 562.

"Degrees of kindred" measure the closeness of relationship between two relatives. The problem arises because there are two different ways of counting the steps. The "civil law" method counts each step from the first person back to the ancestor that both relatives share and then down to the second person. The "canon law" method counts generations from the common ancestor down to the furthest distant of the two relations. Under civil law, an aunt and a niece are three degrees of kindred apart: step one is from the aunt to the aunt's parent who is also the niece's grandparent; step two is from the aunt's parent to the aunt's brother or sister, who is also the niece's parent; and step three from there to the niece. Under civil law, the aunt and niece are within the third degree of kindred.

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Under canon law, the counting starts with the aunt's parent, who is the common ancestor. The first step is to the aunt and her brother or sister. The second step is to the niece. Under canon law, the aunt and niece are within the second degree of kindred.

"Second degree of kindred" is defined in the regulations for the State Personnel Act, 2 AAC 07.950 and appears to use the canon law method:

(37) "second degree of kindred" means a father, mother, son, daughter, brother, sister, grandfather, grandmother, grandson, granddaughter, uncle, aunt, niece or nephew, in a full, half, or step relationship;

AS 24.60.990(5) defines "immediate family" as

the spouse, parents, children, including a stepchild and adoptive child, and siblings of a person[.]

TC:klb

96-230.klb

CSSB 141 (RLS) am dated 5/1/96

House Finance Committee Meeting concerns 5/3/96:

Section 5:

(2) (A): Allows use of state resources for personal purposes, provided the expenses are reimbursed and the employee follows the supervisor's policy on these matters.

Would allow a staffer to answer the phone and forward correspondence to their boss; the staffer certainly does not have any control over who calls or sends in mail;

Subsection (5)(D) speaks to what can be kept in a legislator's office; Senate State Affairs Committee specifically focused on APOC reports in a legislator's office; another example used was storage of campaign materials; it was not interpreted to mean that the legislator could post campaign signs all over their office;

Section 7: Again, this was discussed in Senate State Affairs in context of a "storage" area. The sponsor of the amendment envisioned a staffer handing out invitations to a fund-raiser in passing;

Section 10: Again, relating to "incidental" campaign activities, the questions arose as to what would constitute "incidental" versus "short". Overall, it is expected that the legislator would take ethics into consideration when dealing with campaign issues in their office; it is certainly not the responsibility of the staff to screen incoming calls or mail; the legislator should have a policy in place lining out exactly what they expect of their staff to cover this questionable area.

Section 20: State discounts - discussion in House Finance committee this morning was a good dialogue of the intent of the amendment.

Section 27: Legal Defense Fund: was crafted to allow for contributions to a specific fund for a legislator/staff who had an ethics complaint filed against them, or needed to challenge an election outcome. It was not intended to include monies for a divorce, DWI charge, etc., but only to cover lawsuits, complaints, etc. arising out of political, legislative or public policy matters. Discussion in the Senate State Affairs Committee centered around potential

frivolous complaints that may be filed against a legislator/staff and the ability of the complaint to exhaust personal funds in challenging the erroneous charges brought against them.

Section 42: Complainant disclosure; picture the disclosure restriction on the subject of the complaint, versus the privilege of the complainant to release any information to the press in support of their case; this amendment would allow subject of complaint to defend themselves in the media and level the playing field.

Section 43: Attendance at Executive Session meetings; would allow subject of complaint to attend all meetings regarding their case, even up to deliberation.

AMENDMENT

1

Parnell

OFFERED IN THE HOUSE
TO: CSSB 141(RLS) am

1 Page 36, lines 22 - 25:

2 Delete all material.

3 Renumber the following bill sections accordingly

4 Page 54, line 3:

5 Delete "93 - 98"

6 Insert "82 - 87"

7 Page 54, line 11:

8 Delete "sec. 107"

9 Insert "sec. 106"

10 Page 54, line 12:

11 Delete "sec. 108"

12 Insert "sec. 107"

AMENDMENT

42 Purnell

OFFERED IN THE HOUSE
TO CSSB 1411(RLS) am

- 1 Page 37, line 13.
- 2 Delete "In addition to the prohibitions under AS 39 52 120, a"
- 3 Insert "A"

- 4 Page 39, following line 14
- 5 Insert a new subsection to read
- 6 "(h) Nothing in (a) - (g) of this section limits the prohibitions contained in
- 7 AS 39 52 120 "

AMENDMENT #3 *Small*

OFFERED IN THE HOUSE
TO CSSB 141(RLS) am

- 1 Page 38, line 11, following "it"
- 2 Insert "advocates the election of a candidate and"

AMENDMENT

* 4 Parrell

OFFERED IN THE HOUSE

TO: CSSB 141(RLS) am

1 Page 39, following line 14:

2 Insert new bill sections to read:

3 * Sec. 70. AS 39.52.130(a) is amended to read:

4 (a) A public officer other than a state official may not solicit, accept, or
 5 receive, directly or indirectly, a gift, whether in the form of money, service, loan,
 6 travel, entertainment, hospitality, employment, promise, or in any other form, that is
 7 a benefit to the officer's personal or financial interests, under circumstances in which
 8 it could reasonably be inferred that the gift is intended to influence the performance
 9 of official duties, actions, or judgment.

10 * Sec. 71. AS 39.52.130(b) is amended to read:

11 (b) A public officer other than a state official who receives [NOTICE OF
 12 THE RECEIPT BY A PUBLIC OFFICER OF] a gift with a value in excess of \$50
 13 shall give notice of receipt of the gift, including the name of the giver and a
 14 description of the gift and its approximate value, [MUST BE PROVIDED] to the
 15 designated supervisor within 30 days after the date of its receipt if the public officer
 16 may take or withhold official action that affects the giver."

17 Renumber the following bill sections accordingly.

18 Page 39, line 20:

19 Delete "In addition to the requirements of (a) and (b) of this section, and except"

20 Insert "Except"

21 Page 54, line 1

22 Delete "83 - 88"

1 Insert "85 - 90"

H4 Purcell

2 Page 54, line 11:

3 Delete "sec. 107"

4 Insert "sec. 109"

5 Page 54, line 12"

6 Delete "sec. 108"

7 Insert "sec. 110"

AMENDMENT

#5 Parrell

OFFERED IN THE HOUSE

TO: CSSB 141(RLS) am

- 1 Page 39. lines 26 - 27:
- 2 Delete "during a legislative session"

AMENDMENT

#6 Parnell

OFFERED IN THE HOUSE

TO: CSSB 141(RLS) am

1 Page 42, lines 16 - 17:

2 Delete "A state official, including the governor and the lieutenant governor, may not"

3 Insert "The governor and the lieutenant governor may not"

4 Page 42, line 23:

5 Delete "state official"

6 Insert "governor or lieutenant governor"

AMENDMENT

#7 Parrell

OFFERED IN THE HOUSE

TO: CSSB 141(RLS) am

- 1 Page 43, lines 1 - 2:
- 2 Delete all material.

AMENDMENT

48

Parneil

OFFERED IN THE HOUSE

TO: CSSB 141(RLS) am

- 1 Page 42, lines 29 - 31:
- 2 Delete all material.

AMENDMENT

#9 2/19/96/11

OFFERED IN THE HOUSE

TO: CSSB 141(RLS) am

- 1 Page 44, line 29, through page 45, line 2:
- 2 Delete all material.

- 3 Renumber the following bill sections accordingly.

- 4 Page 54, line 3:
- 5 Delete "83 - 88"
- 6 Insert "82 - 87"

- 7 Page 54, line 11:
- 8 Delete "sec. 107"
- 9 Insert "sec. 106"

- 10 Page 54, line 12"
- 11 Delete "sec. 108"
- 12 Insert "sec. 107"

AMENDMENT

#10 Parrell

OFFERED IN THE HOUSE

TO: CSSB 141(RLS) am

- 1 Page 52, line 14:
- 2 Delete "AS 44.62 (Administrative Procedure Act)"
- 3 Insert "AS 39.25.140"

AMENDMENT

#11 2 arm 11

OFFERED IN THE HOUSE

TO: CSSB 141(RLS) am

1 Page 52, lines 16 - 27:

2 Delete all material.

3 Renumber the following bill sections accordingly.

4 Page 54, line 11:

5 Delete "sec. 107"

6 Insert "sec. 106"

7 Page 54, line 12"

8 Delete "sec. 108"

9 Insert "sec. 107"

AMENDMENT

12 Parvelli

OFFERED IN THE HOUSE

TO: CSSB 141(RLS) am

1 Page 36, lines 22 - 25:

2 Delete all material.

3 Renumber the following bill sections accordingly.

4 Page 39, line 17:

5 Delete "[ATTORNEY GENERAL]"

6 Insert "or the attorney general, as appropriate,"

7 Page 43, line 4:

8 Delete "personnel board and the"

9 Page 43, line 7, following the period:

10 Insert "In addition, a state official shall report the information to the personnel
11 board."

12 Page 44, line 26:

13 Delete "personnel board and to the"

14 Page 44, line 28, following the period:

15 Insert "In addition, a state official shall report the information and changes in
16 information to the personnel board,"

17 Page 45, line 19:

18 Delete "AS 39.52.210"

1 Insert "AS 39.52.210(c)"

2 Page 45, line 20, through page 46, line 4:

3 Delete all material.

4 Page 46, line 6:

5 Delete "[ATTORNEY GENERAL]"

6 insert "or the attorney general, as appropriate."

7 Page 46, following line 8:

8 Insert a new bill section to read:

9 "• Sec. 80. AS 39.52.210 is amended by adding a new subsection to read:

10 (d) In addition to complying with (a) and (b) of this section, a state official
11 shall provide the personnel board with a copy of the disclosure, and the designated
12 supervisor shall provide the board with a copy of the determination."

13 Renumber the following bill sections accordingly.

14 Page 47, line 1, after "and":

15 Insert ", in the case of a report concerning a state official,"

16 Page 46, lines 7 - 12:

17 Delete all material and insert:

18 "(a) Upon the written request of a designated supervisor or a board or
19 commission, the attorney general shall issue opinions interpreting this chapter
20 concerning the conduct of a public officer other than a state official. The
21 requester must supply any additional information requested by the attorney general in
22 order to issue the opinion. Within 60 days after receiving a complete request, the
23 attorney general shall issue an advisory opinion on the question. For requests
24 concerning the conduct of a state official, the personnel board shall issue the
25 opinion under this section."

1 Page 47, line 14:

2 Delete "[ATTORNEY GENERAL]"

3 Insert "or the attorney general, as appropriate,"

4 Page 47, line 20:

5 Delete "[ATTORNEY GENERAL]"

6 Insert "or the attorney general, as appropriate,"

7 Page 47, line 27:

8 Delete "[ATTORNEY GENERAL]"

9 Insert "or the attorney general, as appropriate,"

10 Page 47, line 31:

11 Delete "[ATTORNEY GENERAL]"

12 Insert "or the attorney general, as appropriate,"

13 Page 48, line 3:

14 Delete "[ATTORNEY GENERAL]"

15 Insert "or the attorney general, as appropriate,"

16 Page 48, lines 7 - 11:

17 Delete all material and insert:

18 "Sec. 39.52.250. ADVICE TO FORMER PUBLIC OFFICERS. (a) A former
19 public officer other than a former state official may request, in writing, an opinion
20 from the attorney general interpreting this chapter. A former state official may
21 request an opinion from the personnel board under this section. The attorney
22 general or the personnel board, as appropriate, shall give advice in accordance with
23 AS 39.52.240(a) or (b) and publish opinions in accordance with AS 39.52.240(h)."

24 Page 48, lines 13 - 14:

25 Delete "[ATTORNEY GENERAL]"

26 Insert "or the attorney general, as appropriate,"

1 Page 48, lines 17 - 21:

2 Delete all material and insert:

3 "Sec. 39.52.260. DESIGNATED SUPERVISOR'S REPORT AND
 4 PERSONNEL BOARD OR ATTORNEY GENERAL REVIEW. (a) A designated
 5 supervisor shall quarterly submit a report to the attorney general which states the
 6 facts, circumstances, and disposition of any disclosure made by a public officer other
 7 than a state official under AS 39.52.210 - 39.52.240 and shall submit a quarterly
 8 report concerning disclosures by state officials to the personnel board."

9 Page 48, line 22:

10 Delete "[ATTORNEY GENERAL]"

11 Insert "or the attorney general, as appropriate,"

12 Page 48, line 23:

13 Delete "personnel board"

14 Insert "reviewer"

15 Page 48, lines 29 - 30:

16 Delete "[ATTORNEY GENERAL]"

17 Insert "or the attorney general, as appropriate,"

18 Page 49, line 3:

19 Delete "[ATTORNEY GENERAL]"

20 Insert "or the attorney general, as appropriate,"

21 Page 49, lines 7 - 8:

22 Delete "personnel board [ATTORNEY GENERAL]"

23 Insert "attorney general"

24 Page 49, line 8, following "officer":

25 Insert "other than a current or former state official"

1 Page 49, line 10, following the period:

2 Insert Complaints concerning current or former state officials shall be filed with
3 the personnel board."

4 Page 49, line 19:

5 Delete "[ATTORNEY GENERAL]"

6 Insert "or the attorney general, as appropriate,"

7 Page 49, line 22:

8 Delete "[ATTORNEY GENERAL]"

9 Insert "or the attorney general"

10 Page 49, line 24:

11 Delete "[ATTORNEY GENERAL]"

12 Insert "or the attorney general"

13 Page 49, line 25:

14 Delete "[ATTORNEY GENERAL]"

15 Insert "or the attorney general"

16 Page 49, line 28:

17 Delete "[ATTORNEY GENERAL]"

18 Insert "or the attorney general, as appropriate,"

19 Page 49, line 31:

20 Delete "[ATTORNEY GENERAL]"

21 Insert "or the attorney general, as appropriate,"

22 Page 50, line 1:

23 Delete "[ATTORNEY GENERAL]"

24 Insert "or the attorney general"

1 Page 50, line 3:

2 Delete "[ATTORNEY GENERAL]"

3 Insert "or the attorney general, as appropriate,"

4 Page 50, line 6:

5 Delete "[ATTORNEY GENERAL]"

6 Insert "or the attorney general, as appropriate,"

7 Page 50, line 8:

8 Delete "[ATTORNEY GENERAL]"

9 Insert "or the attorney general, as appropriate,"

10 Page 50, line 12:

11 Delete "[ATTORNEY GENERAL]"

12 Insert "or the attorney general, as appropriate,"

13 Page 50, line 14:

14 Delete "[ATTORNEY GENERAL]"

15 Insert "or the attorney general"

16 Page 50, lines 16 - 22:

17 Delete all material and insert:

18 "Sec. 39.52.320. DISMISSAL BEFORE FORMAL PROCEEDINGS. If, after
19 investigation, it appears that there is no probable cause to believe that a violation of
20 this chapter has occurred, the personnel board or the attorney general, as
21 appropriate, shall dismiss the complaint. The attorney general shall [AND] prepare
22 and file a confidential summary of complaints dismissed by the attorney general
23 with the personnel board. The attorney general or the personnel board, as
24 appropriate, shall communicate disposition of the matter promptly to the complainant
25 and to the subject of the complaint."

26 Page 50, line 26:

- 1 Delete "[ATTORNEY GENERAL]"
- 2 Insert "or the attorney general, as appropriate."
- 3 Page 50, line 28:
- 4 Delete "[ATTORNEY GENERAL]"
- 5 Insert "or the attorney general, as appropriate."
- 6 Page 50, line 30:
- 7 Delete "personnel board's"
- 8 Page 51, line 3:
- 9 Delete "[ATTORNEY GENERAL]"
- 10 Insert "or the attorney general, as appropriate."
- 11 Page 51, line 4:
- 12 Delete "[ATTORNEY GENERAL]"
- 13 Insert "or the attorney general"
- 14 Page 51, line 7:
- 15 Delete "AS 39.52.350"
- 16 Insert "AS 39.52.350(a)"
- 17 Page 51, line 8:
- 18 Delete "Sec. 39.52.350 PROBABLE CAUSE FOR HEARING."
- 19 Page 51, line 9:
- 20 Delete "[ATTORNEY GENERAL]"
- 21 Insert "or the attorney general, as appropriate."
- 22 Page 51, line 13:
- 23 Delete "[ATTORNEY GENERAL]"
- 24 Insert "or the attorney general, as appropriate."

1 Following "by":
2 Insert "servicing, or in the case of the personnel board."

3 Page 51, line 14:
4 Delete "[SERVING]"

5 Page 51, line 18, through page 52, line 9:
6 Delete all material.

7 Renumber the following bill sections accordingly.

8 Page 52, lines 11 - 15:
9 Delete all material and insert:
10 "Sec. 39.52.950. REGULATIONS. The attorney general may adopt
11 regulations under AS 44.62 ([THE] Administrative Procedure Act), and the
12 personnel board may adopt regulations under AS 39.25.140, necessary to interpret
13 and implement this chapter."

14 Page 54, line 1:
15 Delete "[ATTORNEY GENERAL]"
16 Insert "and the attorney general"

17 Page 54, line 3, in both places:
18 Delete "public officer"
19 Insert "state official"

20 Page 54, line 5, in both places:
21 Delete "public officer"
22 Insert "state official"

23 Page 54, line 11:
24 Delete "sec. 107"

1 Insert "sec. 106"

2 Page 54, line 12:

3 Delete "sec. 108"

4 Insert "sec. 107"