

**HOUSE BILL NO. 244**

IN THE LEGISLATURE OF THE STATE OF ALASKA  
THIRTY-FIRST LEGISLATURE - SECOND SESSION

**BY REPRESENTATIVE JACKSON**

**Introduced: 2/12/20**

**Referred: State Affairs, Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to the expenditure of state grant money by nonprofit corporations; and**  
2 **providing for an effective date."**

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

4 **\* Section 1.** AS 10.20 is amended by adding a new section to read:

5 **Sec. 10.20.698. Expenditure of state grant money.** (a) A corporation that  
6 receives money as a grant from the state shall spend

7 (1) at least 80 percent of the money on the persons and services for  
8 which the grant was made to the corporation; and

9 (2) not more than 20 percent of the money on fundraising,  
10 administrative, and operational costs.

11 (b) A corporation that violates (a) of this section is subject to a penalty in an  
12 amount equal to 10 percent of the total amount of grant money the corporation  
13 received during the state fiscal year in which the violation occurred. The department  
14 administering the grant shall collect the penalty.

1 (c) This section does not apply to a grant that is subject to federal  
2 requirements that conflict with this section.

3 \* **Sec. 2.** AS 23.15.820(a) is amended to read:

4 (a) The Alaska Workforce Investment Board shall

5 (1) administer the Alaska technical and vocational education program  
6 established in AS 23.15.820 - 23.15.850;

7 (2) facilitate the development of a statewide policy for a coordinated  
8 and effective technical and vocational education training system in this state and, to  
9 the extent authorized by federal and state law, plan and coordinate federal, state, and  
10 local efforts in technical and vocational education programs;

11 (3) adopt regulations under AS 44.62 (Administrative Procedure Act)  
12 to carry out the purposes of AS 23.15.820 - 23.15.850, including regulations that set  
13 standards for the percentage of a grant that may be used for administrative costs; the  
14 regulations must clearly identify and distinguish between expenses that may be  
15 included in administrative costs and those that may not be included in administrative  
16 costs; **notwithstanding AS 10.20.698**, the percentage allowed for administrative costs  
17 may not exceed the lesser of five percent or the amount permitted under the  
18 requirements of a federal program, if applicable;

19 (4) administer the grant program under AS 23.15.840 and establish  
20 grant administration requirements including accounting procedures that apply to  
21 qualified entities and their grantees;

22 (5) facilitate the development and implementation of a statewide  
23 policy and procedure that provides for the acceptance of credit or hours toward a  
24 degree or technical program offered by a vocational or technical training center in the  
25 state for an applicant who provides satisfactory evidence of successful completion of  
26 relevant military education, training, or service as a member of the armed forces of the  
27 United States, the United States Reserves, the National Guard of any state, the  
28 Military Reserves of any state, or the Naval Militia of any state.

29 \* **Sec. 3.** AS 23.15.840(e) is amended to read:

30 (e) **Notwithstanding AS 10.20.698, in** [IN] making a grant under this section,  
31 the board shall require that the qualified entity and grantees of the qualified entity

1 limit the amount of the grant proceeds spent on administration so that the total spent  
2 on administration from the proceeds of the technical and vocational education program  
3 account, including amounts spent by the board itself, does not exceed five percent. A  
4 training program funded by the board must

5 (1) meet the standards adopted by the board concerning the percentage  
6 of a grant that may be spent on administrative costs;

7 (2) be operated by an institution that holds a valid authorization to  
8 operate issued under AS 14.48 if the program is a postsecondary educational program  
9 operated by a postsecondary educational institution subject to regulation under  
10 AS 14.48.

11 \* **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to  
12 read:

13 APPLICABILITY. (a) This Act applies to grants from the state that are made on or  
14 after the effective date of this Act.

15 (b) The amount of the penalty in sec. 1 of this Act is based on the grant money that a  
16 nonprofit corporation organized under AS 10.20 receives from a grant made on or after the  
17 effective date of this Act and that is received during

18 (1) that part of a state fiscal year that begins on or after the effective date of  
19 this Act; or

20 (2) a state fiscal year that begins on or after the effective date of this Act.

21 \* **Sec. 5.** This Act takes effect July 1, 2021.