I. Introduction

The Education Trust of Alaska (the "Trust"), formerly the University of Alaska Savings Trust, was established on April 20, 2001 by the University of Alaska Board of Regents (the "Board"), to implement and manage the Alaska College Savings Program in accordance with Section 529 of the Internal Revenue Code of 1986, as amended (the "Code"), the Alaska College Savings Act (AS 14.40.802 – 14.40.817) (the "Act"), and the applicable Investment Powers and Duties (AS 37.10.071) (the "Investment Powers"). The University of Alaska serves as trustee (the "University" or "Trustee") for the Trust. The primary purposes of the Trust are to secure obligations to participants including the ACT Tuition-Value Guarantee and to help participants save for the increasing cost of postsecondary education.

The Trust currently offers three college savings plans, the University of Alaska College Savings Plan (the "UA Plan"), the T. Rowe Price College Savings Plan (the "TRP Plan"), and the John Hancock Freedom 529 (the "JH Plan"). The UA Plan and the TRP Plan are sometimes collectively referred to as the direct plan or plans (the "Direct Plan(s)") and the JH Plan as the advisor sold plan (the "Advisor Sold Plan").

T. Rowe Price Associates serves as program manager (the "Program Manager" or "T. Rowe Price") for all three college savings plans administered by the Trust, including the UA Plan, the TRP Plan and the JH Plan. John Hancock Distributors LLC has been engaged by T. Rowe Price to construct and distribute the JH Plan through financial advisors.

II. Purpose and Scope

This Governance and Investment Policy (the "Policy") and other related policies of the Board applicable to the Education Trust of Alaska (P05.07.040 – 05.07.043) are intended to establish a framework that will provide a guide to implementation and administration of the terms and conditions of the Declaration of Trust, the college savings plans, the disclosure documents, and the requirements of law. This Policy is adopted by and changes are subject to the approval of the Board.

III. Administration

The Board of Regents is responsible for the overall stewardship of the Trust. The Regents’ Audit Committee (the "Committee" or the "Audit Committee") shall provide the primary oversight of the College Savings Program and activities of the Trust on behalf of the Board. The University President ("President") shall appoint a Trust Administrator to conduct the day-to-day business affairs of the Trust and advise the University’s Chief Finance Officer ("CFO") and the Board on issues related to the College Savings Program and Trust.
IV. FIDUCIARY DUTIES

The Board, the Audit Committee, the President, the Trust Administrator, and others while serving in a fiduciary capacity for the Trust have the duties of undivided loyalty, reasonable care, and obedience. “Undivided loyalty” in that fiduciary decisions must be made in the best financial interest of the respective portfolio or fund and the beneficiaries must be treated with impartiality; “reasonable care” in that the prudent expert standard shall apply to all fiduciary activities and that delegated duties are performed adequately shall be sought; and “obedience” in that fiduciaries shall comply with the law and be faithful to the goals of the organization. For all non-fiduciary matters, except for professionals or experts engaged by the Trust or the Program Manager, the prudent person standard shall apply.

V. PRIMARY INVESTMENT GOAL, PRINCIPLES AND CONSIDERATIONS

The Primary Investment Goal of the Trust is to achieve a market rate of return or greater, which is consistent with the expected risk profile and needs of the intended beneficiary.

The greatest investment risk is the probability of not meeting the Primary Investment Goal. In order to minimize this risk the Program Manager, the Trust Administrator in conjunction with the CFO and the Board shall consider this risk in all aspects of the investment decision-making process, including the structure of each portfolio, asset allocation, fund selection, reporting and monitoring. Achievement of the Primary Investment Goal will be driven by the following core considerations:

- **Time Horizon:** Investment strategies may take a long-term perspective, unless the life cycle of a particular portfolio or its expected use by participants is limited.

- **Total Return:** The portfolios of the Trust shall be managed on a Total Return basis without regard to the distinction between current income and net realized or unrealized gains and losses.

- **Liquidity:** The portfolios shall only be invested in underlying investments or funds that are marked-to-market daily and do not hold significant proportions of illiquid investments.

- **Volatility:** The expected level of volatility of a portfolio shall be considered in the development, implementation and management of each of the portfolios.

- **Diversification:** The diversity of positions among the various investments of the portfolios shall be considered in the development and implementation of the portfolios.

- **Fees and Expenses:** Fees and expenses associated with investment activities shall be reviewed on a periodic basis and the Program Manager and Trust Administrator shall strive to maintain such fees and expenses at reasonable levels.

- **Inflation:** The Consumer Price Index (“CPI”) shall be used as the measure of inflation for purposes of meeting inflation objectives of the portfolios.
VI. INVESTMENT PHILOSOPHY

The Primary Investment Goal is to achieve a market rate of return or greater, which is consistent with the expected risk profile and needs of the intended beneficiary. The cost increase of education has far exceeded the increase in family income for decades resulting in excessive borrowing and unsustainable debt burdens for students and their families. Every $1 of savings for a young child can help a family avoid $2 to $3 in debt payments later in life. As such, each portfolio will strive to offset, to the extent practicable within its risk parameters, the impact of the increasing cost of education.

This philosophy provides a framework intended to guide the investment process and strategies employed to achieve the Primary Investment Goal. The philosophy is critical to structuring the portfolios and establishing a plan to accomplish the purposes of the overall College Savings Program. Underlying this philosophy are the basic beliefs that the public markets are generally efficient, sensitive to the economic environment, and reflect the growth of the real economy; expected returns are roughly proportional to the risk assumed; diversification is the primary defense against material losses; and liquidity is essential to meeting the higher education funding needs of the beneficiaries.

The philosophy favors a diversified combination of long-term allocations and modest use of tactical allocations to incorporate the near-term market outlook. Equity securities consisting of domestic, international and emerging market funds will serve as the primary growth driver for the longer-term portfolios. Fixed income investments shall include U.S. investment grade bonds as well as allocations to diversifying sectors of the bond market, such as high yield bonds, emerging market bonds, and non-dollar bonds. The fixed income investments will primarily provide income, diversification, more predictable cash flows, and less volatility than equities. Inclusion of allocations to diversifying sectors of the bond market, such as high yield bonds, emerging market bonds, and non-dollar bonds may offer the potential for higher return over time as well as the potential to moderate volatility relative to a portfolio of only U.S. investment grade bonds. Real assets and inflation focused bonds (TIPS) will help provide short-term inflation protection. These will be supplemented by other value added investments and strategies depending upon economic and market conditions.

Monte Carlo analysis will be the primary building block used to structure the portfolios and develop target asset allocations. Active management by high quality managers will provide the best opportunity for above average performance; however, passive strategies may also be utilized to reduce tracking error associated with active management and to achieve lower expense ratios. Fees and expenses can have a major impact on performance over time; therefore the Trust will strive to maintain fees at reasonable levels where practicable.
VII. TARGET ASSET ALLOCATION

The Program Manager shall identify the target asset allocation and underlying investment funds that it believes will offer a reasonable probability of achieving each portfolio's intended objectives within a framework of commonly accepted risk factors. The Trust Administrator shall annually review and evaluate the asset allocation. If applicable the Trust Administrator will request that the Program Manager recommend alternative options for meeting the portfolio’s objectives as considered appropriate.

VIII. ASSET ALLOCATION REBALANCING

The asset allocation shall be rebalanced regularly by the Program Manager to minimize extraordinary deviations. The Program Manager shall report to the Trust Administrator each quarter the tactical variations from neutral asset allocation level as of the end of the quarter, significant deviations from the planned asset allocations (those deviations that are outside of the pre-defined asset allocation variance bands), and the plan to correct such deviations if not already corrected. The current target allocation to a broad asset class is not expected to vary from its predetermined target allocation by more than plus or minus 5%. Any variance of the target allocation for a broad asset class may be applied to any combination of funds, or to any single fund, within that broad asset class. There may be short-term variances from adjusted target allocations to allow for changing conditions, such as market fluctuations, cash flows and authorized tactical allocation strategies.

IX. INVESTMENT OPTIONS

In order to help participants meet their savings goals, the Trust will offer a broad range of investment options across the traditional risk/return continuum for a diverse group of investors that have varying levels of risk tolerance and knowledge of investment principles.

The TRP Plan investment options include a series of enrollment-based and static portfolios, as follows:

➢ Eight enrollment-based portfolios: These portfolios are structured to provide a balance of risk and earnings potential that is adjusted by the Program Manager from aggressive to conservative over time as the expected period of enrollment approaches. The portfolios range from an aggressive portfolio, generally intended for beneficiaries that are newborns and the very young, to a conservative portfolio, intended for beneficiaries attending or about to attend college and those individuals who are risk averse. When a portfolio is within 15 years of moving into the Portfolio for College, the portfolio’s assets will typically be shifted every quarter to more conservative allocations through increased exposure to fixed income. Assets are moved to the Portfolio for College in the year corresponding to the title of the portfolio.
Five static portfolios: These portfolios are structured with an asset allocation that remains constant within specified ranges for the life of the portfolio. These portfolios are designed to facilitate the development of custom asset allocations by participants or to supplement other investments by the participant.

- **Equity Portfolio**: This portfolio consists primarily of stock funds and is intended to provide greater earnings potential for investors with higher risk tolerance and/or a long-term investment horizon.

- **Total Equity Market Index Portfolio**: This portfolio consists primarily of stocks and invests in a passively managed fund. The portfolio seeks to match the performance of the entire U.S. stock market, but does not attempt to fully replicate the index by holding each of those stocks.

- **Fixed Income Portfolio**: This portfolio consists primarily of bond funds and is intended to provide income for investors with a relatively low risk tolerance, a shorter investment horizon, or a preference for fixed income investments.

- **Balanced Portfolio**: This portfolio consists of an allocation of approximately 60 percent (60%) stock funds and 40 percent (40%) fixed income funds. This portfolio is designed to blend the earnings opportunities of an aggressive portfolio and the capital preservation potential of a conservative portfolio for investors with a moderate risk tolerance and/or an intermediate investment horizon.

- **Money Market Portfolio**: This portfolio consists of a money market fund and is intended to preserve investment principal, while offering modest current income, by investing in high-quality, U.S. dollar-denominated money market securities of U.S. and foreign issuers. The portfolio is designed primarily for conservative investors who may have a Beneficiary nearing college enrollment or who may want to dollar cost average large contributions into other portfolios.

The UA Plan investment options are identical to those of the TRP Plan except for the inclusion of one additional portfolio, the ACT Portfolio.

- **ACT Portfolio**: This portfolio uses a moderate-risk, broad-based diversification, and low management fee approach and invests primarily in a combination of U.S. bond and U.S. stock index funds. The portfolio may also invest in funds focused on high-quality money market instruments and investment-grade bonds with weighted average effective maturities of three years or less. The allocations are adjusted periodically to their optimal levels within predefined asset allocation ranges based on market conditions as determined by the investment manager. The authorized investment ranges are 35 percent (35%) to 45 percent (45%) stock funds, 15 percent (15%) to 65 percent (65%) bond funds, and zero percent (0%) to 40 percent (40%) money market funds. This portfolio is designed for those who may be interested in attending the University of Alaska, investors with modest risk tolerance and earnings expectations, and those seeking a low fee investment option. The portfolio carries a
guarantee by the Trust that the long-term earnings on the portfolio will keep pace with tuition inflation at the University of Alaska, if used to pay tuition at the University of Alaska for the beneficiary. There are no fees on moneys invested in the ACT Portfolio and participants are not subject to the annual account fee.

The JH Plan investment options are intended to provide intermediaries (financial advisors and brokers) with the opportunity to match their client’s college savings needs with their particular risk tolerance and investment goals. The investment options include a series of enrollment-based, static, lifestyle, and individual fund portfolios, as follows:

➢ Six enrollment-based portfolios: These portfolios are structured to provide a balance of risk and earnings potential that is adjusted by the Program Manager from aggressive to conservative over time as the expected period of enrollment approaches. Portfolios range from an aggressive portfolio, generally intended for beneficiaries that are newborns and the very young, to a conservative portfolio generally intended for beneficiaries attending or about to attend college or for individuals who are risk averse. In general, once a portfolio is within 15 years of its target college enrollment date, the portfolio’s assets will be shifted every quarter to more conservative allocations to reflect the need for reduced investment risks and lower volatility. Assets are automatically moved to the College Portfolio in the second quarter of the last year in the title of the portfolio, at which point the asset mix of the portfolio generally stops becoming more conservative over time.

➢ Five static portfolios: Two of these portfolios target a constant asset allocation for the life of the portfolio and three have pre-defined asset allocation ranges for each asset class within which the Program Manager may vary the allocation.

  - **The Future Trends Portfolio:** This portfolio is an aggressive sector-based equity portfolio consisting of three sector-based stock funds and is intended to provide high earnings potential for investors with relatively high-risk tolerance and/or long-term investment horizons. This portfolio will be invested in the underlying stock funds within pre-defined ranges.
  - **The Equity Portfolio:** This portfolio consists primarily of stock funds and is intended to provide greater earnings potential for investors with higher risk tolerance and/or a long-term investment horizon.
  - **The Fixed Income Portfolio:** This portfolio consists primarily of bond funds and is intended to provide income for investors with a relatively low risk tolerance, a shorter investment horizon, or a preference for fixed income investments.
  - **The Short-Term Bond Portfolio:** This portfolio emphasizes investment in high-income, short-term bonds. The portfolio’s characteristics reflect a lower-risk investment approach, with the goal of preserving capital.
  - **The Money Market Portfolio:** This portfolio consists of a money market fund and is intended to preserve investment principal, while offering modest
current income, by investing in high-quality, U.S. dollar-denominated money market securities of U.S. and foreign issuers. The portfolio is designed primarily for conservative investors who may have a Beneficiary nearing college enrollment or who may want to dollar cost average large contributions into other portfolios.

➢ **Three Lifestyle Portfolios:** Each portfolio will invest in a matching John Hancock Lifestyle Portfolio that is invested in a number of different mutual funds managed by a host of high quality investment managers. Similar to the static portfolios, the lifestyle portfolios target a constant asset allocation and utilize a broader range of asset classes, managers, and investment styles to meet their objectives.

  o **The Lifestyle Growth 529 Portfolio:** This portfolio seeks long-term growth of capital by investing approximately 80% of its assets in equity funds and approximately 20% in fixed-income funds.

  o **The Lifestyle Balanced 529 Portfolio:** This portfolio seeks to provide a balance between a high level of current income and growth of capital, with a greater emphasis on growth of capital. The portfolio invests approximately 60% of its assets in equity funds and approximately 40% in fixed-income funds.

  o **The Lifestyle Moderate 529 Portfolio:** This portfolio seeks to provide a balance between a high level of current income and growth of capital, with a greater emphasis on income. The portfolio invests approximately 40% of its assets in equity funds and approximately 60% in fixed-income funds.

➢ **Eight individual portfolios:** These portfolios will invest only in one specific mutual fund, each with a specific style, asset class, or investment strategy. The portfolios are intended to supplement broader self- or advisor-directed allocations or to supplement other investments. Each is managed by a high quality investment firm.

X. **PORTFOLIO PERFORMANCE REVIEW AND BENCHMARKS**

Performance for each portfolio and underlying investment fund shall be measured on a regular basis against several benchmarks in order to evaluate its performance relative to the general market and its peers. The portfolios and underlying investment funds will be assigned asset and/or style class benchmarks and peer group benchmarks approved by the University’s CFO. Each portfolio will be evaluated relative to a broad weighted asset class performance benchmark and a Morningstar universe composed of similar 529 plan portfolios. The underlying investment funds will be evaluated relative to a style class performance benchmark and the appropriate Morningstar and Lipper peer group.

Because underperformance of a portfolio can generally be traced directly to the underperformance of one or more underlying mutual fund investments, the Trust Administrator may classify certain underlying mutual funds as “Funds of Special
Interest.” These funds will be the subjected to of more in-depth review and attention during performance reporting sessions as well as consideration for replacement or other action. In general, funds classified as “Funds of Special Interest” will be funds with consistent significant underperformance relative to its benchmark; material underperformance (bottom quartile) or outperformance (top decile) relative to its peers on an annual and/or rolling three year period; or a fund that has simply raised the concern of the Trust Administrator or the Program Manager’s internal oversight committee.

On a semi-annual basis a meeting will be held in which the Program Manager will provide an in-depth formal report on the performance of the portfolios and the underlying mutual fund investments. This will include performance of the portfolios and underlying mutual funds relative to their respective benchmarks, portfolio attribution analysis, Morningstar’s peer group percentile ranking for the portfolios, Lipper and Morningstar percentile rankings for the underlying mutual funds, and a supplemental report on Funds of Special Interest. On the two quarters that don’t fall on the semi-annual cycle, the Program Manager will provide a summary of investment performance that includes performance relative to asset and style class benchmarks, Morningstar’s peer group percentile ranking for the portfolios, and the tactical variances from the neutral target allocations of the applicable portfolios.

XI. DELEGATION AND ASSIGNMENT OF DUTIES AND AUTHORITY

Effective and cohesive relationships between the Board, the Audit Committee, the President, the CFO, the Trust Administrator, the Program Manager, Investment Advisors, and others are important to fulfilling the purposes of the Trust. The major duties and responsibilities of the parties are assigned and authority delegated as presented below. Authority to carry out the duties delegated or assigned to the Audit Committee, President, or the Trust Administrator may be further delegated to qualified members of the University of Alaska staff or independent contractors.

1. Board Responsibilities:

- Assure the overall stewardship of the Trust assets in accordance with Section 529 of the Code, the Act, and the Investment Powers, as each may be amended or restated from time to time;
- Adopt the policies needed for the prudent administration of the Trust and investment of Trust assets;
- Adopt amendments to the Declaration of Trust;
- Approve the selection and termination of the Program Managers;
- Delegate authority and assign duties to the Audit Committee, the President, the CFO, and the Trust Administrator; and
- Review the financial condition, investment management, and administrative activities of the Trust on a regular basis.
2. **Audit Committee Responsibilities:**
   - Review and select the process for solicitation and selection of a Program Manager and Investment Advisors;
   - Develop recommendations for the Board regarding policy issues related to the Trust and the College Savings Program; and
   - Review the conduct and outcome of due diligence activities of the Trust Administrator on a semi-annual basis.

3. **University President’s Responsibilities:**
   - Notwithstanding delegations to other University employees or contractors herein, the President is delegated all powers and authority necessary and convenient to administer, operate, and manage the Trust and College Savings Program;
   - Approve amendments to the College Savings Plans and General Conditions; and
   - Appoint a Trust Administrator on the recommendation of the CFO to conduct the day-to-day operations and activities of the Trust.

4. **University Chief Finance Officer’s Responsibilities:**
   - Oversee the due diligence and other College Savings Program activities of Trust Administrator;
   - Approve guidelines for the conduct of due diligence for the Trust and the College Savings Program;
   - Approve performance benchmarks for the evaluation of individual portfolios and underlying investment funds; and
   - Approve due diligence guidelines and procedures for evaluation of portfolios and underlying investment funds.

5. **Trust Administrator Responsibilities:**
   - Support the initiatives of the Board, the Committee, and the President;
   - Facilitate communications with and between the Board, the Committee, the President, the Program Manager, and Investment Advisors;
   - Report to the Committee, the Board, and the CFO on a regular basis the investment performance and material matters related to administration of the Trust and the College Savings Program;
   - Report to the Committee, the Board, and the CFO any litigation or violations of applicable laws or regulations involving the Trust, the Program Manager,
Investment Advisors or underlying fund managers that come to the attention of the Trust Administrator;

- Make final interpretation regarding the terms of the Trust and the College Savings Program;
- Provide for final administrative resolution of all disputes and claims by participants, contractors, and others arising out of the administration operation and management of the Trust and the College Savings Program;
- Monitor laws and regulations for compliance and reporting and establish systems and procedures to assure compliance with external requirements;
- Monitor investment and operating processes and activities to assure compliance with this Policy, the Program Management Agreement with TRP, and each Plan’s disclosure documents;
- Cause an annual report for each Plan offered by the Trust to be prepared and made available to all participants by direct mail or inclusion on the applicable website;
- Cause an annual financial audit of the Trust and affiliated Plans;
- Comply with MSRB continuing disclosure requirements on a timely basis;
- Review and approve all disclosure documents;
- Review portfolio asset allocations periodically and develop recommendations for consideration by the Program Manager;
- Review and evaluate the fees and costs assigned to the various portfolios and underlying investment funds on a periodic basis;
- Execute agreements with program and investment managers, advisors and other entities as may be considered necessary or desirable for operation of the Trust;
- Serve as primary contact and relationship manager for the Program Managers, distributors, and Investment Advisors; and
- Perform all administrative duties necessary for the efficient administration of the Trust that have not been delegated or assigned to others by the President.

6. **Investment Advisor Responsibilities:**

- Prepare investment performance evaluation reports at least annually and more frequently as may be requested by the Trust Administrator;
- Monitor manager adherence to fund mandates and report to the Trust Administrator significant deviations that may come to the advisors attention;
- Recommends changes in investment strategy, asset allocation, underlying fund investments, and benchmarks to the Trust Administrator, as considered appropriate;
• Provide background and other qualitative information on managers and sub-advisors, asset classes, investment products and funds, as requested;
• Provide research and advise the Trust Administrator on investment issues, as requested;
• Notify the Trust Administrator of any significant changes in personnel or ownership, litigation or violation of laws or regulations, or noteworthy events regarding the advisor and/or any investment manager for the Trust, which may come to the attention of the Advisor;
• Provide the Trust Administrator with the Advisor’s capital market assumptions, upon request; and
• Attend Audit Committee meetings, as may be requested.

5. **Program Manager Responsibilities:**

• Provide assistance in development, implementation and maintenance of the program, including recordkeeping, distribution, marketing, customer relations, investment management, compliance, and reporting services;
• Provide a quarterly report to the Trust Administrator on the status of the capital markets, performance of the College Savings Program’s portfolios and underlying investment funds, updates on legal and legislative activities, participant complaints, and marketing and operations activities;
• Provide a brief monthly report to the Trust Administrator regarding the performance of each Plan’s portfolios and underlying investment funds and respond to inquiries, as may be requested by the Trust Administrator;
• Notify the Trust Administrator as soon as practicable of any violations of applicable laws and regulations, litigation, key staff or ownership changes, or other material events that come to the Program Manager’s attention, which may impact the Trust or its program;
• Provide the Trust Administrator annually with a copy of the Program Manager’s Form ADV Parts I and II, a copy of its annual report including its audited financial statements, and applicable SSAR 16 reports; and
• Comply with the regulatory provisions of the law and the terms and conditions of the Program Management Agreement, the Declaration of Trust, and Plan disclosure documents.

**XII. CONFLICTS OF INTEREST**

Members of the Board, the Trust Administrator, and other staff responsible for making or advising on administrative or investment matters of the College Savings Program shall comply with this Conflict of Interest provision, the University of Alaska Ethics Policies
and Regulations, and the Alaska Executive Branch Ethics Act (AS 39.52, hereafter AEBEA) to the extent that it is more restrictive than this Conflict of Interest provision, the University of Alaska Ethics Policies and Regulations. All other persons providing advice to the Audit Committee or the Board on administrative or investment matters shall disclose at the beginning of any discussion or consideration of any issue, any relationships, material interest or beneficial ownership, which the person has or may reasonably be expected to have, with respect to the issue(s) under discussion or consideration. This provision is not intended to apply to the payment of ordinary fees and expenses to the Program Manager or Investment Advisors in the course of their services on behalf of the Trust.

Any member of the Board or employee responsible for making decisions or providing independent advice on administrative or investment matters shall disclose to their respective designated ethics supervisor under the AEBEA any personal or financial interest, including but not limited to remuneration, commission, gift, favor, service, benefit or investment that might reasonably be perceived to influence them in the discharge of their duties before taking any official action that may affect such personal or financial interest as such terms are defined in the AEBEA. Failure to disclose any material issues or benefits may be grounds for disciplinary action or other sanctions permissible under applicable law.

XIII. PRIVACY POLICY*

The Act requires that the name, address, and other information identifying a person as an “Account Owner” or “Beneficiary” in the Trust be confidential. The Trust recognizes its obligation to keep information about each account owner and beneficiary secure and confidential. The Trust has selected T. Rowe Price Associates, Inc. and its affiliates (collectively “T. Rowe Price”) to act as Program Manager for the Trust in providing investment, recordkeeping, and other administrative services for the Plan and John Hancock Distributors LLC to distribute the John Hancock Freedom 529 Plan.**

Collecting and Using Information: Through participation in the Plan, the Trust and T. Rowe Price collect various types of confidential information provided in the Account Agreement, such as the Account Owner’s name and the name of the Beneficiary, Social Security Numbers, addresses, and occupation information. The Trust and T. Rowe Price also collect confidential information relating to Plan transactions, such as Account balances, contributions, distributions, and investments. The Trust and T. Rowe Price will not disclose any such information about Account Owners, former Account Owners, or Beneficiaries to anyone, except as permitted or required by law or in accordance with relevant consent.

Marketing Opt-Out: The Trust, the University, and T. Rowe Price may in the future use the information collected to identify and send the Account Owner information about other savings or investment programs offered by the Trust or by the T. Rowe Price family of companies that might be of interest. If the Account Owner does not wish to receive such marketing material, he or she may call T. Rowe Price toll-free at 1-866-277-1005.
Protection of Information: The Trust, the University, and T. Rowe Price maintain physical, electronic, and procedural safeguards to protect the information about Account Owners and Beneficiaries that each of them collects or uses. These safeguards include restricting access to those individuals who have a need to know the information, such as to those who service the Account, resolve problems, or inform Participants and Beneficiaries of additional products or services where appropriate.

* Specific wording for public notices will be modified as necessary to address the applicable plan and comply with FTC regulations. The notices will be provided to participants or prospective participants as a courtesy, even though the Trust may not be subject to those regulations.

**T. Rowe Price affiliates directly providing services for the Plan are T. Rowe Price Services, Inc. and T. Rowe Price Investment Services, Inc.

XIV. OTHER

Fiscal Year: The fiscal year for the Trust shall be July 1 through June 30.

XV. ADOPTION AND EFFECTIVE DATE

This Policy was adopted by the Board on September 27, 2013 and is effective immediately.
SUPPLEMENTAL INFORMATION AND DOCUMENTS

The following Exhibits (documents and information) are not part of the policy, but are presented to facilitate a better understanding of this policy:

1. University of Alaska Ethics Policy and Regulations
2. Alaska Executive Branch Ethics Act
4. Investment Powers and Duties (AS 37.10.071)
5. Investment and Program review and due diligence procedures (Pending)
6. Schedule of Investment Options or Portfolios (Pending)
7. Schedule of Underlying Investment Funds (Pending)
8. Schedule of Portfolio and Underlying Fund Benchmarks (Pending)
9. Schedule of Peer Portfolios (Pending)
REGENTS' POLICY
PART IV – HUMAN RESOURCES
Chapter 04.10 - Ethics and Conduct

P04.10.010. Scope and Conduct of Outside Activities; Compliance with State Law.

A. In this section, “outside activities” means work or activities that are not within the scope of the regular employment duties of the university employee.

B. Outside activities that will increase the effectiveness and broaden the experience of employees in relation to their functions at the university or that will be of service to the community or the state, are encouraged, provided the outside activities do not interfere with the performance of the employee's regular university duties; and provided the outside activities do not involve the appropriation of university property facilities, equipment, or services.

C. Employees of the university must comply with the applicable provisions of AS 39.52 (Alaska Executive Branch Ethics Act). To the extent that applicable law is more restrictive than regents’ policy or university regulation, the law governs. Among other things, AS 39.52 prohibits official action when personal or financial interests are affected, misuse of official position, abuse of subordinates, misuse of university resources, and misuse of information. It also restricts gifts, outside employment, and interests in university grants, contracts, leases or loans. Employees should contact the university’s designated ethics supervisor for additional information.

(06-06-07)

P04.10.020. Abuse of Office for Political Purposes.

A. No university employee may assert or imply that the employee is officially representing the university or its policies, unless expressly authorized to do so by the president.

B. An employee who acquires a state, federal, or local public office that may not legally be simultaneously held by a university employee will resign from university employment. Where there is no legal prohibition on simultaneous office holding, the employee need not resign, but will remain subject to the university regulation that apply to outside activities.

C. Any employee who wishes to campaign for or hold any political office or to serve as a registered state or federal lobbyist will come under the university regulation that applies to outside activities.

D. University funds or resources may not be used to support partisan political activity. Letters constituting partisan political activity may not be written on university stationery unless expressly authorized by the president.

(06-20-97)
P04.10.030. Conflict of Interest.

A. Any action, without actual authority to do so granted specifically by the board or the university president, by an officer or employee of the university that either: (1) has allowed any person, firm, or company to derive an advantage or benefit which has not been made available to all persons, firms, or companies on the same or equal basis; or (2) exposes the university to contractual obligation or public liability, will be considered improper and in conflict with the proper discharge of official duties in behalf of the university.

B. An officer or employee of the university may not, directly or indirectly, do any of the following:

1. engage in or accept employment from or render services for any public or private interest when such employment or service may reasonably be expected to give rise to conflict with the proper discharge of official duties on behalf of the university;

2. in behalf of the officer or employee or another, solicit, negotiate for, or agree to accept employment or anything of substantial value from, any person, firm or company with which the officer or employee and the officer or employee’s budget request unit is engaged in the transaction of business on behalf of the university, or that may be affected by the officer or employee’s official action;

3. hold any investment or engage in any financial, business, commercial, or private transaction that creates a conflict with the proper discharge of official duties;

4. use information peculiarly within the officer or employee’s knowledge or purview concerning the students, employees, property, government, or affairs of the university to advance the financial or other private interest of the officer or employee or another;

5. accept any form of gift, loan, consideration, or any gratuity for the performance of the officer or employee’s duties other than that afforded by the university, unless the gift, loan, consideration, or gratuity is received for the exclusive benefit of the university;

6. receive payment or other consideration for activities, or the products of activities, created or performed while acting as a university employee, other than that provided by the university;

7. be a party to the purchase or sale of, or influence the purchase or sale of, goods or services for the use of the university by any person, firm, company, or business in which the officer or employee has substantial financial interest unless approved in advance by the president of the university; the transaction will be approved only if the president finds it to be in the best interests of the university; the approval will be in written form and be open to inspection by the public at the Office of the President;
8. engage in any business or transaction, or own a financial or other private interest, that is in conflict with the proper discharge of official duties.

C. A university officer or employee will be considered to have done "indirectly" the things prohibited by subsection B. of this section whenever any part of the prohibited acts are accomplished by or through "an immediate family member," which includes the spouse, cohabitant, child, parent, sibling, grandparent, aunt, and uncle of the university officer or employee, and parent or sibling of the officer or employee's spouse, or by an association, trust, or corporation in which the officer or employee or an "immediate family member" has a substantial interest; or through any device or artifice intended to evade the effect of the regents' policy.

D. In cases in which a faculty member produces a published work or an invention as a part of the faculty member's paid research or public service assignment for the university, and such published work or invention is not a "commissioned work" as defined in P10.07.050(a), the fact that the faculty member may receive payment for royalties or similar remuneration will not alone constitute a violation of this policy.

E. If an officer or employee is uncertain whether a conflict of interest exists in an actual situation, the officer or employee may:

1. through appropriate channels, fully and fairly inform the president in writing of the specific facts surrounding the possible conflict of interest; and

2. request a determination of whether the situation as presented constitutes a conflict of interest.

In such instances, the president may rule on the question of whether the situation as presented constitutes a conflict of interest. If the president decides whether the situation as presented constitutes a conflict of interest, the decision will be conclusive as to the situation as presented. The officer or employee who requests the decision will have a continuing duty to inform the president in writing fully, fairly, and in good faith, in advance of changes in circumstances that might alter the situation so as to cause the president to change the decision. The president may reconsider a decision at any time.

F. Additional restrictions and exceptions may be provided by university regulation.

(06-20-97)

P04.10.040. Nepotism.

A. Candidates will not be prohibited from appointment on the basis of their relationship with current employees of the university. However, no employee of the university may supervise or participate in employment, grievance, retention, promotion, salary, leave or other personnel decisions concerning members of the employee's immediate family.

B. "Immediate family" includes an employee's spouse, child or stepchild, parent, sibling or immediate in-laws.
C. It is not a violation of this policy for a faculty member to have an immediate family member as a student enrolled in the faculty member's class, provided that the chancellor has approved an alternative means of evaluating the student's academic performance. The faculty member may not be directly involved in the alternative form of evaluation.

D. Any exception to this policy requires the prior written approval of the president. The president will advise the board of all granted exceptions.

(08-15-97)
R04.10.010. Scope and Conduct of Outside Activities; Compliance with State Law.

A. Scope

1. Serving on advisory bodies and university governance groups, teaching, research, application of research findings, preparation and publication of articles and books (whether for royalty or not), preparation and delivery of lectures, memberships and activities in professional societies, participation in artistic performances or activities, when said activities are related to staff members' professional fields and no compensation or honorarium (other than royalties from publication) is received, are considered to be within the regular work duties of university employees and are supported by the university.

Examples of activities considered to be outside the regular work or duties are: consulting for or providing other services to individuals or firms, serving on boards of directors, or as officers of business organizations, and engaging in commercial operations and practice except as noted above.

2. Outside activities may be of a one-time nature, intermittent or occasional, or regularly recurring. They may involve little or considerable amounts of compensation.

3. For purposes of this regulation, "employee" is intended to include all personnel of the university, including both staff and faculty enrolled on the university payroll records and receiving compensation from the University of Alaska, no matter what the basic fund source, for the performance of regular staff or academic duties. It includes part-time as well as full-time employees. Nothing contained herein will be considered applicable to any outside activities of employees during the period of time for which they are compensated as university employees, except insofar as the use of university name, property, equipment, etc., is concerned.

B. Conduct of Outside Activities

1. Prior to engaging in any outside activity as defined herein, the employee concerned will secure approval of his/her immediate supervisor. Department heads, deans, and directors or equivalent level are designated as representatives of the university to grant such approval for employees under their jurisdiction. If the approval is denied, the individual will have the right to appeal the decision as set forth below.

   a. In making these determinations, the chief consideration will be whether the employee's current or proposed outside activities, taken individually or
cumulatively, would substantially interfere with the performance of his/her regular duties. The fact that the outside activity involved compensation or the amount of such compensation will not be a reason for a refusal.

b. In some cases the outside activity of an employee may be in the interest of the university or contribute to a significant enhancement of the employee professional standing or competence, even though engaging in the outside activity would substantially interfere with the employee's performance of his/her regular duties. In some cases the university may, upon consideration, determine that a re-allocation of the employee's duties is justified. Heads of departments and offices must process such cases through regular channels for approval.

2. Review

Heads of offices, departments, deans and other supervisors may, from time to time, review a case if, in their judgment, reasonable evidence suggests that:

a. The outside activity or activities, individually or cumulatively constitutes in fact a substantial interference with the satisfactory accomplishment of the employee's regular university duties; or

b. The employee may otherwise be violating the provisions of this policy.

3. Community, State and Governmental Service

Community, state and governmental service is encouraged by the university as a function of citizenship, provided it does not constitute detrimental interference with the employee's discharge of his/her regular work duties. If community, state or governmental service duties, whether compensated or not, in fact substantially interferes with the employee's discharge of his/her regular work duties, it then becomes an outside activity.

4. Use of the University Name

a. In conducting outside activities for compensation, the employee will make it clear to his/her employers or associates that he/she is serving in an individual capacity and that the university accepts no responsibility in connection with the outside activities.

b. Official stationery of the university will not be used in connection with consultant's reports, bills for services or correspondence relating to the fulfillment of the staff member's performance of the outside activity.

c. Employees whose names are included in commercial listings or other public documents, the purpose of which is to draw attention to the
employee's availability for compensated services, will not list university buildings as an address, or list a university telephone number.

5. Purchases Through the University for Private Purposes

Individuals are not permitted to purchase supplies or equipment for personal use through institutional channels.

6. Use of University Property, Equipment, Facilities, or Services

The use of university property, equipment, facilities, or services by employees for purposes not directly related to university duties is prohibited. Exception will be made for the use of specialized equipment not available to industry or individuals through any private source within the state for which a pre-determined fee or rate has been established. The individual staff member may use such equipment on the same basis as other members of the public.

(07-01-89)

R04.10.020. Abuse of Office for Political Purposes

Any employee seeking an elected public office will campaign completely on his/her own time, without adversely affecting his/her duties at the university; and be subject to any general university procedures governing appearances and activities of political candidates on the campus.

Any employee who acquires a state or federal public office or a full-time local government office which is legally not permitted to be held by a university employee, will resign from university employment. Such resignation will be without prejudice if adequate notice has been given by the employee and mutually satisfactory arrangements have been made concerning possible replacement of the employee.

(07-01-89)

R04.10.030. Conflict of Interest

A. Notice

Regents' Policy and this regulation regarding conflicts of interest will be communicated to all affected persons - regents, employees and other university representatives. Policy and regulation will be enforced in a timely and consistent fashion. Units of the University of Alaska are directed to post, permanently, copies of Regents' Policy 04.10.030 and this regulation on appropriate bulletin boards.

B. Purpose and Scope

Regents' Policy 04.10.030 and this regulation apply to and provide guidance for all persons employed by the university, regardless of position.

Regents' Policy 04.10.030 applies to individual members of the University of Alaska Board of Regents as "officers" and "representatives" of the university when applicable.
C. Rationale

In order to maintain the highest ethical standards in all associations and activities with outsiders that take place on behalf of the university, every employee of the university is expected to accord the university his/her primary professional loyalty and to arrange outside obligations, financial interests and activities so as not to conflict or interfere with this over-riding commitment. All university employees will conduct both university business and their individual activities in a manner which will withstand the sharpest scrutiny and avoid even the appearance of impropriety.

D. Disclosure

All university employees will follow the practice of full prior disclosure, in writing, of the precise nature of any association, relationship, business arrangement or circumstance that might suggest that decisions were made contrary to the best interests of the university and/or for an employee's personal gain or the gain of an employee's family, close friends or business associates. All such prior disclosures will be done through organizational channels to the university president in case of employees, or to the board president in the case of regents.

E. Areas of Potential Conflict

The following activities and situations present conflicts of interest or commitment.

1. Use of University Resources

   The unauthorized use of any university resources by a university employee, including equipment or services of university employees, for his/her own personal benefit.

2. Disclosure of Privileged Information

   The unauthorized disclosure or release of any data of a confidential nature by a university employee, secured through one's employment, such as educational, medical, personnel, security records of individuals; anticipated material requirements or price actions; possible new sites for university actions; knowledge of forthcoming programs or of selection of contractors or subcontractors in advance of official announcements; results, materials, records of information stemming from university activity that are not generally available.

3. Acceptance of Gifts

   Direct or indirect acceptance by a university employee of a loan, gift or favor of more than nominal value from any organization or person doing or seeking to do business with the university. Nominal value is generally considered to mean low cost advertisement items, i.e., calendars, cups, pens, etc. This subsection should not be deemed to prohibit normal loans made in the ordinary course of business
from banks or financial institutions that have or expect to have relations with the university.

4. Provision of Gifts

Direct or indirect provision by a university employee of a gift or favor of more than nominal value to any organization or person doing or seeking to do business with the university.

5. Interest in Supplier or Contractor

Direct or indirect interest by a university employee in any organization that has, or is seeking to have, business dealings with the university where there is an opportunity for preferential treatment to be given or received except (a) with the knowledge and written consent of the board or university president, or (b) in any case where such an interest consists of securities in widely-held corporations that are quoted and sold on the open market, or in private corporations where the interest is not substantial, e.g., not more than 5 percent of the voting stock or controlling interest of such organization.

6. Competition with University

Direct or indirect engagement by a university employee in any other enterprise for remuneration when the activity is in direct competition with the university, except with the knowledge and prior written consent of the president or his designee.

7. Sale or Lease of Property

Direct or indirect selling or leasing by a university employee of any kind of property to or from the university or to any organization or person that is, or is seeking to become, a supplier of goods, services or property to the university, except with the knowledge and prior written consent of the president or his designee.

8. Employment by Supplier

Direct or indirect service by a university employee as an officer or director of, or as a consultant to, or to be otherwise employed by any organization doing or seeking to do business with the university, except with the knowledge and prior written consent of the university president or his designee.

9. Outside Activities

Devotion of so much time or creative energy by a university employee to extramural activities that the employee compromises the amount of quality of his/her participation in the instructional, scholarly or administrative work for which the employee was hired. No more than 20 percent of an employee's total professional effort may be directed to such extramural activities.
10. Research

Direction of students by a university employee into a research area from which the employee hopes to realize financial gain.

A university employee will be considered to have done indirectly the things or activities described in subsection E whenever any part of the actions or things are accomplished by or through the spouse, child, parent or sibling of the employee or by an association, trust or organization in which the employee or the employee's spouse, child, parent or sibling has a substantial interest, or through any device or artifice intended to evade the effect of the regulation.

F. Activities that are Permissible

The following activities present no conflict of interest:

1. Acceptance of royalties for published scholarly works and other writings or of honoraria for commissioned papers and occasional lectures, provided, however, that such published work is not a "commissioned work" as defined in Regents' Policy 10.07.050.

2. Service as a consultant to outside organizations provided that (a) the time and energy devoted to the task is not excessive, (b) the arrangement in no way inhibits publication of research results obtained within the university and (c) the arrangement violates no portion of subsection E.

3. Service on boards and committees of organizations, public or private, provided that (a) such service does not compromise the amount or quality of the employee's work and (b) the service does not otherwise violate the provisions of subsection E.

G. Method of Resolving Conflict

The procedures listed below will be followed to determine when a conflict of interest could or does exist, and to avoid or remove such conflict. If there is any question about the propriety of any business dealings contemplated or engaged in currently, or if an employee is uncertain whether a conflict of interest situation exists, this procedure will be followed.

1. Through appropriate university channels, the employee will fully and accurately inform the president of the university, or the president of the Board of Regents in the case of regents, in writing, of the specific facts and circumstances surrounding the possible conflict of interest.

2. The employee or regent will then request a determination of whether the situation, as presented, constitutes a conflict of interest.
3. If any activity is interpreted as an existing or potential conflict of interest, the university president, or president of the Board of Regents in the case of regents, will determine what action is necessary to eliminate or avoid any conflict of interest.

H. Sanctions

Failure of an employee to follow the requirements of this chapter or comply with related directives from the president or his designee will be grounds for suspension or dismissal of the employee and/or other sanctions as may be deemed appropriate by the university president.

(06-20-97)
Article 01. DECLARATIONS
Sec. 39.52.010. Declaration of policy.

(a) It is declared that

(1) high moral and ethical standards among public officers in the executive branch are essential to assure the trust, respect, and confidence of the people of this state;

(2) a code of ethics for the guidance of public officers will

(A) discourage those officers from acting upon personal or financial interests in the performance of their public responsibilities;

(B) improve standards of public service; and

(C) promote and strengthen the faith and confidence of the people of this state in their public officers;

(3) holding public office or employment is a public trust and that as one safeguard of that trust, the people require public officers to adhere to a code of ethics;

(4) a fair and open government requires that executive branch public officers conduct the public's business in a manner that preserves the integrity of the governmental process and avoids conflicts of interest;

(5) in order for the rules governing conduct to be respected both during and after leaving public service, the code of ethics must be administered fairly without bias or favoritism;

(6) no code of conduct, however comprehensive, can anticipate all situations in which violations may occur nor can it prescribe behaviors that are appropriate to every situation; in addition, laws and regulations regarding ethical responsibilities cannot legislate morality, eradicate corruption, or eliminate bad judgment; and

(7) compliance with a code of ethics is an individual responsibility; thus all who serve the state have a solemn responsibility to avoid improper conduct and prevent improper behavior by colleagues and subordinates.

(b) The legislature declares that it is the policy of the state, when a public employee is appointed to serve on a state board or commission, that the holding of such offices does not constitute the holding of incompatible offices unless expressly prohibited by the Alaska Constitution, this chapter and any opinions or decisions rendered under it, or another statute.

Article 02. CODE OF ETHICS
Sec. 39.52.110. Scope of code; prohibition of unethical conduct.

(a) The legislature reaffirms that each public officer holds office as a public trust, and any effort to benefit a personal or financial interest through official action is a violation of that trust. In addition, the legislature finds that, so long as it does not interfere with the full and faithful discharge of an officer's public duties and responsibilities, this chapter does not prevent an officer from following other independent pursuits. The legislature further recognizes that
(1) in a representative democracy, the representatives are drawn from society and, therefore, cannot and should not be without personal and financial interests in the decisions and policies of government;

(2) people who serve as public officers retain their rights to interests of a personal or financial nature; and

(3) standards of ethical conduct for members of the executive branch need to distinguish between those minor and inconsequential conflicts that are unavoidable in a free society, and those conflicts of interests that are substantial and material.

(b) Unethical conduct is prohibited, but there is no substantial impropriety if, as to a specific matter, a public officer's

(1) personal or financial interest in the matter is insignificant, or of a type that is possessed generally by the public or a large class of persons to which the public officer belongs; or

(2) action or influence would have insignificant or conjectural effect on the matter.

(c) The attorney general, designated supervisors, hearing officers, and the personnel board must be guided by this section when issuing opinions and reaching decisions.

(d) Stock or other ownership interest in a business is presumed insignificant if the value of the stock or other ownership interest, including an option to purchase an ownership interest, is less than $5,000.

Sec. 39.52.120. Misuse of official position.

(a) A public officer may not use, or attempt to use, an official position for personal gain, and may not intentionally secure or grant unwarranted benefits or treatment for any person.

(b) A public officer may not

(1) seek other employment or contracts through the use or attempted use of official position;

(2) accept, receive, or solicit compensation for the performance of official duties or responsibilities from a person other than the state;

(3) use state time, property, equipment, or other facilities to benefit personal or financial interests;

(4) take or withhold official action in order to affect a matter in which the public officer has a personal or financial interest;

(5) attempt to benefit a personal or financial interest through coercion of a subordinate or require another public officer to perform services for the private benefit of the public officer at any time; or

(6) use or authorize the use of state funds, facilities, equipment, services, or another government asset or resource for partisan political purposes; this paragraph does not prohibit use of the governor's residence for meetings to discuss political strategy and does not prohibit use of state aircraft or the communications equipment in the governor's residence so long as there is no charge to the state for the use; in this paragraph, "for partisan political purposes"
(A) means having the intent to differentially benefit or harm a 
(i) candidate or potential candidate for elective office; or 
(ii) political party or group;

(B) but does not include having the intent to benefit the public interest at large through the normal performance of official duties.

(c) In addition to other provisions of this section, a public officer who is a member of the Board of Fisheries or the Board of Game may not act on a matter before the board if the public officer has not disclosed in the manner set out in AS 39.52.220 all personal or financial interests in a business or organization relating to fish or game resources.

(d) In this section, when determining whether a public officer is considered to be performing a task on government time, the attorney general and personnel board shall consider the public officer's work schedule as set by the public officer's immediate supervisor, if any. A public officer other than the governor and lieutenant governor who, during the work days, engages in political campaign activities other than minor, inconsequential, and unavoidable campaign activities shall take approved leave for the period of campaigning.

(e) Except for supplying information requested by the hearing officer or the entity with authority to make the final decision in the case, or when responding to contacts initiated by the hearing officer or the individual, board, or commission with authority to make the final decision in the case, a public officer may not attempt to influence the outcome of an administrative hearing by directly or indirectly contacting or attempting to contact the hearing officer or . individual, board, or commission with authority to make the final decision in the case assigned to the hearing officer unless the

(1) contact is made in the presence of all parties to the hearing or the parties' representatives and the contact is made a part of the record; or

(2) fact and substance of the contact is promptly disclosed by the public officer to all parties to the hearing and the contact is made a part of the record.

(f) Use of state aircraft for partisan political purposes is permitted under (b) of this section only when the use is collateral or incidental to the normal performance of official duties and does not exceed 10 percent of the total of the use of the aircraft for official purposes and partisan political purposes, combined, on a single trip. A public officer who authorizes or makes any partisan political use of a state aircraft under (b) of this section shall disclose the authorization and use under AS 39.52.210 or 39.52.220 for each trip, and the person who uses the aircraft shall reimburse the state for the proportionate share of the actual cost of the use.

Sec. 39.52.130. Improper gifts.

(a) A public officer may not solicit, accept, or receive, directly or indirectly, a gift, whether in the form of money, service, loan, travel, entertainment, hospitality, employment, promise, or in any other form, that is a benefit to the officer's 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. A gift from a person required to register as a lobbyist under AS 24.45.041 to a public officer or a public officer's immediate family member is
presumed to be intended to influence the performance of official duties, actions, or judgment unless the giver is an immediate family member of the person receiving the gift.

(b) Notice of the receipt by a public officer of a gift with a value in excess of $150, including the name of the giver and a description of the gift and its approximate value, must be provided to the designated supervisor within 30 days after the date of its receipt

(1) if the public officer may take or withhold official action that affects the giver; or

(2) if the gift is connected to the public officer's governmental status.

(c) In accordance with AS 39.52.240, a designated supervisor may request guidance from the attorney general concerning whether acceptance of a particular gift is prohibited.

(d) The restrictions relating to gifts imposed by this section do not apply to a campaign contribution to a candidate for elective office if the contribution complies with laws and regulations governing elections and campaign disclosure.

(e) A public officer who, on behalf of the state, accepts a gift from another government or from an official of another government shall, within 60 days after its receipt, notify the Office of the Governor in writing. The Office of the Governor shall determine the appropriate disposition of the gift. In this subsection, "another government" means a foreign government or the government of the United States, another state, a municipality, or another jurisdiction.

(f) A public officer who knows or reasonably ought to know that a family member has received a gift because of the family member's connection with the public office held by the public officer shall report the receipt of the gift by the family member to the public officer's designated supervisor if the gift would have to be reported under this section if it had been received by the public officer or if receipt of the gift by a public officer would be prohibited under this section.

Sec. 39.52.140. Improper use or disclosure of information.

(a) A current or former public officer may not disclose or use information gained in the course of, or by reason of, the officer's official duties that could in any way result in the receipt of any benefit for the officer or an immediate family member, if the information has not also been disseminated to the public.

(b) A current or former public officer may not disclose or use, without appropriate authorization, information acquired in the course of official duties that is confidential by law.

Sec. 39.52.150. Improper influence in state grants, contracts, leases, or loans.

(a) A public officer, or an immediate family member, may not attempt to acquire, receive, apply for, be a party to, or have a personal or financial interest in a state grant, contract, lease, or loan if the public officer may take or withhold official action that affects the award, execution, or administration of the state grant, contract, lease, or loan.

(b) The prohibition in (a) of this section does not apply to a state grant, contract, or lease competitively solicited unless the officer
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(2012 Alaska Statutes)

(1) is employed by the administrative unit awarding the grant, contract, or lease or is employed by the administrative unit for which the grant, contract, or lease is let; or

(2) takes official action with respect to the award, execution, or administration of the grant, contract, or lease.

(c) The prohibition in (a) of this section does not apply to a state loan if

(1) the public officer does not take or withhold official action that affects the award, execution, or administration of the loan held by the officer, or an immediate family member;

(2) the loan is generally available to members of the public; and

(3) the loan is subject to fixed eligibility standards.

(d) A public officer shall report in writing to the designated supervisor a personal or financial interest held by the officer, or an immediate family member, in a state grant, contract, lease, or loan that is awarded, executed, or administered by the agency the officer serves.

Sec. 39.52.160. Improper representation.

(a) A public officer may not represent, advise, or assist a person in any matter pending before the administrative unit that the officer serves, if the representation, advice, or assistance is

(1) for compensation, unless the representation, advice, assistance, and compensation are required by statute, regulation, or court rule, or is otherwise customary; or

(2) without compensation, but rendered to benefit a personal or financial interest of the public officer.

(b) This section does not prohibit activities related to collective bargaining.

(c) This section does not preclude a nonsalaried member of a board or commission from representing, advising, or assisting in any matter in which the member has a personal or financial interest regulated by the board or commission on which the member serves, except that the member must act in accordance with AS 39.52.220.

Sec. 39.52.170. Outside employment restricted.

(a) A public employee may not render services to benefit a personal or financial interest or engage in or accept employment outside the agency which the employee serves, if the outside employment or service is incompatible or in conflict with the proper discharge of official duties.

(b) A public employee rendering services for compensation, or engaging in employment outside the employee's agency, shall report by July 1 of each year the outside services or employment to the employee's designated supervisor. During the year, any change in an employee's outside service or employment activity must be reported to the designated supervisor as it occurs.

(c) The head of a principal executive department of the state may not accept employment for compensation outside the agency that the executive head serves.

Sec. 39.52.180. Restrictions on employment after leaving state service.
Alaska Executive Branch Ethics Act

AS 39.52.010 – 39.52.965
(2012 Alaska Statutes)

(a) A public officer who leaves state service may not, for two years after leaving state service, represent, advise, or assist a person for compensation regarding a matter that was under consideration by the administrative unit served by that public officer, and in which the officer participated personally and substantially through the exercise of official action. For the purposes of this subsection, "matter" includes a case, proceeding, application, contract, determination, proposal or consideration of a legislative bill, a resolution, a constitutional amendment, or other legislative measure, or proposal, consideration, or adoption of an administrative regulation.

(b) This section does not prohibit an agency from contracting with a former public officer to act on a matter on behalf of the state.

(c) The head of an agency may waive application of (a) of this section after determining that representation by a former public officer is not adverse to the public interest. The waiver must be in writing and a copy of the waiver must be provided to the attorney general for approval or disapproval.

(d) An individual who formerly held a position listed in this subsection may not engage in activity as a lobbyist under AS 24.45 for a period of one year after leaving that position. This subsection does not prohibit service as a volunteer lobbyist described in AS 24.45.161(a)(1) or a representational lobbyist as defined under regulations of the Alaska Public Offices Commission. This subsection applies to the position of

(1) governor;
(2) lieutenant governor;
(3) head or deputy head of a principal department in the executive branch;
(4) director of a division or legislative liaison within a principal department in the executive branch;
(5) legislative liaison, administrative assistant, or other employee of the Office of the Governor or Office of the Lieutenant Governor in a policy-making position;
(6) member of a state board or commission that has the authority to adopt regulations, other than a board or commission named in AS 08.01.010;
(7) member of the governing board and executive officer of a state public corporation.

(e) A former head of a principal department in the executive branch may not, for a period of one year after leaving service as the head of that department, serve on the governing board of a company, organization, or other entity that was regulated by that department or with which the former department head worked as part of an official duty as the department head. A former employee of the Office of the Governor in a policy-making position may not, for a period of one year after leaving employment in that office, serve on the governing board of a company, organization, or other entity with which the former employee worked as part of an official duty for the Office of the Governor.

(f) In this section, "employee of the Office of the Governor in a policy-making position" means a person who is an employee required, because of the person's position in the Office of the Governor, to file a statement under AS 39.50.020.
Sec. 39.52.190. Aiding a violation prohibited.

It is a violation of this chapter for a public officer to knowingly aid another public officer in a violation of this chapter.

Article 03. DISCLOSURE AND ACTION TO PREVENT VIOLATIONS


(a) A public employee who is involved in a matter that may result in a violation of AS 39.52.110 - 39.52.190 shall

(1) refrain from taking any official action relating to the matter until a determination is made under this section; and

(2) immediately disclose the matter in writing to the designated supervisor and the attorney general.

(b) A public employee's designated supervisor shall make a written determination whether an employee's involvement violates AS 39.52.110 - 39.52.190 and shall provide a copy of the written determination to the public employee and to the attorney general. If the supervisor determines that a violation could exist or will occur, the supervisor shall,

(1) reassign duties to cure the employee's potential violation, if feasible; or

(2) direct the divestiture or removal by the employee of the personal or financial interests that give rise to the potential violation.

(c) A designated supervisor may request guidance from the attorney general, in accordance with AS 39.52.240, when determining whether a public employee is involved in a matter that may result in a violation of AS 39.52.110 - 39.52.190.

Sec. 39.52.220. Declaration of potential violations by members of boards or commissions.

(a) A member of a board or commission who is involved in a matter that may result in a violation of AS 39.52.110 - 39.52.190 shall disclose the matter on the public record and in writing to the designated supervisor and to the attorney general. The supervisor shall determine whether the member's involvement violates AS 39.52.110 - 39.52.190 and shall provide a copy of the written determination to the board or commission member and to the attorney general. If a member of the board or commission objects to the ruling of the supervisor, or if the supervisor discloses an involvement requiring a determination, the members present at a meeting, excluding the involved member, shall vote on the matter. If the supervisor or a majority of the members voting determine that a violation will exist if the member continues to participate, the member shall refrain from voting, deliberating, or participating in the matter.

(b) The designated supervisor or the board or commission may request guidance from the attorney general, in accordance with AS 39.52.240, when determining whether a member of a board or commission is involved in a matter that may result in a violation of AS 39.52.110 - 39.52.190.

Sec. 39.52.225. Disclosures in connection with executive clemency.
Before granting executive clemency to an applicant for executive clemency, the governor shall disclose in writing to the attorney general whether granting the clemency would benefit a personal or financial interest of the governor. The attorney general shall publish a written determination whether granting executive clemency to the applicant would violate AS 39.52.110 - 39.52.190. The written determination of the attorney general is not confidential, but information set out in that determination identifying a person, other than the applicant for clemency, who is a victim or witness in a criminal matter may not be made public.

Sec. 39.52.230. Reporting of potential violations.

A person may report to a public officer's designated supervisor, under oath and in writing, a potential violation of AS 39.52.110 - 39.52.190 by the public officer. The supervisor shall provide a copy of the report to the officer who is the subject of the report and to the attorney general, and shall review the report to determine whether a violation may exist. The supervisor shall act in accordance with AS 39.52.210 or 39.52.220 if the supervisor determines that the matter may result in a violation of AS 39.52.110 - 39.52.190.

Sec. 39.52.240. Advisory opinions.

(a) Upon the written request of a designated supervisor or a board or commission, the attorney general shall issue opinions interpreting this chapter. The requester must supply any additional information requested by the attorney general in order to issue the opinion. Within 60 days after receiving a complete request, the attorney general shall issue an advisory opinion on the question.

(b) The attorney general may offer oral advice if delay would cause substantial inconvenience or detriment to the requesting party.

(c) The designated supervisor or a board or commission shall make a written determination based on the advice of the attorney general. If the advice of the attorney general provides more than one way for a public officer to avoid or correct a problem found under AS 39.52.110 - 39.52.190, the designated supervisor or the board or commission shall, after consultation with the officer, determine the alternative that is most appropriate and advise the officer of any action required of the officer to avoid or correct the problem.

(d) A public officer is not liable under this chapter for any action carried out in accordance with a determination made under AS 39.52.210 - 39.52.240 if the officer fully disclosed all relevant facts reasonably necessary to the determination.

(e) The attorney general may reconsider, revoke, or modify an advisory opinion at any time, including upon a showing that material facts were omitted or misstated in the request for the opinion.

(f) A person may rely on an advisory opinion that is currently in effect.

(g) A request for advice made under (a) of this section is confidential.

(h) The attorney general shall post on the Alaska Online Public Notice System (AS 44.62.175), with sufficient deletions to prevent disclosure of the persons whose identities are confidential under (g) of this section, the advisory opinions issued under this section that the
attorney general determines to be of major import because of their general applicability to executive branch officers.

Sec. 39.52.250. Advice to former public officers.

(a) A former public officer may request, in writing, an opinion from the attorney general interpreting this chapter. The attorney general shall give advice in accordance with AS 39.52.240(a) or (b) and publish opinions in accordance with AS 39.52.240(h).

(b) A former public officer is not liable under this chapter for any action carried out in accordance with the advice of the attorney general issued under this section, if the public officer fully disclosed all relevant facts reasonably necessary to the issuance of the advice.

Sec. 39.52.260. Designated supervisor's report and attorney general review.

(a) A designated supervisor shall quarterly submit a report to the attorney general which states the facts, circumstances, and disposition of any disclosure made under AS 39.52.210 - 39.52.240.

(b) The attorney general shall review determinations reported under this section. The attorney general may request additional information from a supervisor concerning a specific disclosure and its disposition.

(c) The report prepared under this section is confidential and not available for public inspection unless formal proceedings under AS 39.52.350 are initiated based on the report. If formal proceedings are initiated, the relevant portions of the report are public documents open to inspection. The attorney general shall, however, make available to the public a summary of the reports received under this section, with sufficient deletions to prevent disclosure of a person's identity.

(d) The attorney general shall submit to the personnel board a copy of the quarterly reports received from designated supervisors under (a) of this section together with a report on the attorney general's review conducted under (b) of this section.

Sec. 39.52.270. Disclosure statements.

(a) A public officer required to file a disclosure statement under this chapter shall meet the requirements of this subsection in making the disclosure. When the public officer files a disclosure statement under this chapter, the public officer signing the disclosure shall certify that, to the best of the public officer's knowledge, the statement is true, correct, and complete. The disclosure must state that, in addition to any other penalty or punishment that may apply, a person who submits a false statement that the person does not believe to be true is punishable under AS 11.56.200 - 11.56.240.

(b) A designated supervisor who receives a disclosure statement under AS 39.52.110 - 39.52.220 shall review it. If the designated supervisor believes that there is a possibility that the activity or situation reported in a disclosure statement filed under AS 39.52.110 - 39.52.190 may result in a violation of this chapter, the designated supervisor shall take appropriate steps under AS 39.52.210 - 39.52.240. Failure of the designated supervisor to proceed under AS 39.52.210- 39.52.240 does not relieve the public officer of the public officer's obligations under those statutes.
(c) In this section, "disclosure statement" means a report or written notice filed under AS 39.52.110 - 39.52.220.

Article 04. COMPLAINTS; HEARING PROCEDURES

Sec. 39.52.310. Complaints.

(a) The attorney general may initiate a complaint, or elect to treat as a complaint, any matter disclosed under AS 39.52.210, 39.52.220, 39.52.250, or 39.52.260. The attorney general may not, during a campaign period, initiate a complaint concerning the conduct of the governor or lieutenant governor who is a candidate for election to state office.

(b) A person may file a complaint with the attorney general regarding the conduct of a current or former public officer. A complaint must be in writing, be signed under oath, and contain a clear statement of the details of the alleged violation.

(c) If a complaint alleges a violation of AS 39.52.110 - 39.52.190 by the governor, lieutenant governor, or the attorney general, the matter shall be referred to the personnel board. The personnel board shall return a complaint concerning the conduct of the governor or lieutenant governor who is a candidate for election to state office as provided in (j) of this section if the complaint is initiated during a campaign period. The personnel board shall retain independent counsel who shall act in the place of the attorney general under (d) - (i) of this section, AS 39.52.320 - 39.52.350, and 39.52.360(c) and (d). Notwithstanding AS 36.30.015 (d), the personnel board may contract for or hire independent counsel under this subsection without notifying or securing the approval of the Department of Law.

(d) The attorney general shall review each complaint filed, to determine whether it is properly completed and contains allegations which, if true, would constitute conduct in violation of this chapter. The attorney general may require the complainant to provide additional information before accepting the complaint. If the attorney general determines that the allegations in the complaint do not warrant an investigation, the attorney general shall dismiss the complaint with notice to the complainant and the subject of the complaint.

(e) The attorney general may refer a complaint to the subject's designated supervisor for resolution under AS 39.52.210 or 39.52.220.

(f) If the attorney general accepts a complaint for investigation, the attorney general shall serve a copy of the complaint upon the subject of the complaint, for a response. The attorney general may require the subject to provide, within 20 days after service, full and fair disclosure in writing of all facts and circumstances pertaining to the alleged violation. Misrepresentation of a material fact in a response to the attorney general is a violation of this chapter. Failure to answer within the prescribed time, or within any additional time period that may be granted in writing by the attorney general, may be considered an admission of the allegations in the complaint.

(g) If a complaint is accepted under (f) of this section, the attorney general shall investigate to determine whether a violation of this chapter has occurred. At any stage of an investigation or review, the attorney general may issue a subpoena under AS 39.52.380.

(h) A violation of this chapter may be investigated within two years after discovery of the alleged violation.
(i) The unwillingness of a complainant to assist in an investigation, the withdrawal of a complaint, or restitution by the subject of the complaint may, but need not in and of itself, justify termination of an investigation or proceeding.

(j) The personnel board shall return a complaint concerning the conduct of the governor or lieutenant governor who is a candidate for state office received during a campaign period to the complainant unless the governor or lieutenant governor, as appropriate, permits the personnel board to assume jurisdiction under this subsection. If the personnel board receives a complaint concerning the conduct of the governor or lieutenant governor who is a candidate during the campaign period, the personnel board shall immediately notify the subject of the complaint of the receipt of the complaint, of the suspension of the personnel board's jurisdiction during the campaign period, and of the candidate's right to waive the suspension of jurisdiction under this subsection. The candidate may, within 11 days after the personnel board mails or otherwise sends notice of the complaint to the candidate, notify the personnel board that the candidate chooses to have the personnel board proceed with the complaint under this section. If the candidate does not act within that time or if the candidate notifies the personnel board that the candidate is not waiving the suspension of jurisdiction, the personnel board shall return the complaint to the complainant with notice of the suspension of jurisdiction under this subsection and of the right of the complainant to file the complaint after the end of the campaign period.

(k) A campaign period under this section begins on the later of 45 days before a primary election in which the governor or lieutenant governor is a candidate for state office or the day on which the individual files as a candidate for state office and ends at the close of election day for the general or special election in which the individual is a candidate or on the day that the candidate withdraws from the election, if earlier. For a candidate who loses in the primary election, the campaign period ends on the day that results of the primary election showing that another individual won the election are certified.

Sec. 39.52.320. Dismissal before formal proceedings.

If, after investigation, it appears that there is no probable cause to believe that a violation of this chapter has occurred, the attorney general shall dismiss the complaint. The attorney general shall communicate disposition of the matter promptly to the complainant under AS 39.52.335(c) and to the subject of the complaint.

Sec. 39.52.330. Corrective or preventive action.

After determining that the conduct of the subject of a complaint does not warrant a hearing under AS 39.52.360, the attorney general shall recommend action to correct or prevent a violation of this chapter. The attorney general shall communicate the recommended action to the complainant and the subject of the complaint. The subject of the complaint shall comply with the attorney general's recommendation.

Sec. 39.52.335. Summary of disposition of complaints and review by personnel board.

(a) When the attorney general initiates or receives a complaint under AS 39.52.310, the attorney general shall immediately forward a copy of the complaint to the personnel board.
(b) Each month, the attorney general shall file a report with the personnel board concerning the status of each pending complaint and the resolution of complaints that have been closed since the previous report.

(c) If a complaint is dismissed under AS 39.52.320 or resolved under AS 39.52.330, the attorney general shall promptly prepare a summary of the matter and provide a copy of the summary to the personnel board and the complainant. The summary is confidential unless the

(1) dismissal or resolution agreed to under AS 39.52.320 or 39.52.330 is public; or

(2) superior court makes the matter public under (h) of this section.

(d) Within 15 days after receipt of a summary under this section, a complainant may file comments with the personnel board regarding the disposition of the complaint.

(e) At its next regular meeting that begins more than 15 days after receipt of a summary under this section, the personnel board shall review the summary and comments, if any, filed by the complainant. The personnel board may compel the attendance of the subject of the complaint or the complainant at the meeting and may compel the production of documents. Attendance may be by teleconference. The attorney general or the attorney general's designee shall be available to respond to questions from the personnel board concerning the disposition of the complaint.

(f) After review of the summary, the personnel board may issue a report on the disposition of the complaint. If the matter is confidential and the board determines that publication of the name of the subject is in the public interest, the report may include a recommendation that the matter be made public.

(g) If the summary is confidential under (c) of this section,

(1) comments filed by the complainant, if any, are confidential;

(2) the personnel board shall conduct the review of the summary in executive session; and

(3) the personnel board report, if any, is confidential; the personnel board shall make available to the public an expurgated copy of a confidential report with sufficient deletions and editing to prevent disclosure of the identity of the persons involved in the matter.

(h) If the disposition of a complaint is not made public and the personnel board report under (f) of this section includes a recommendation that the matter be made public, an interested party may file an action against the state in superior court requesting that the court make public the complaint, the attorney general's disposition of the complaint, and the personnel board report. The court may order the matter or portions of the matter made public if the court determines that

(1) the dismissal or resolution of the complaint was clearly contrary to the requirements of this chapter;

(2) one or more of the allegations in the information to be released is supported by substantial evidence;

(3) the matter concerns the public interest; and
(4) release of the information will not infringe on any protected rights or liberties of the subject.

Sec. 39.52.340. Confidentiality.

(a) Except as provided in AS 39.52.335, before the initiation of formal proceedings under AS 39.52.350, the complaint and all other documents and information regarding an investigation conducted under this chapter or obtained by the attorney general during the investigation are confidential and not subject to inspection by the public. In the case of a complaint concerning the governor, lieutenant governor, or attorney general, all meetings of the personnel board concerning the complaint and investigation before the determination of probable cause are closed to the public. If, in the course of an investigation or probable cause determination, the attorney general finds evidence of probable criminal activity, the attorney general shall transmit a statement and factual findings limited to that activity to the appropriate law enforcement agency. If the attorney general finds evidence of a probable violation of AS 15.13, the attorney general shall transmit a statement to that effect and factual findings limited to the probable violation to the Alaska Public Offices Commission. The attorney general and all persons contacted during the course of an investigation shall maintain confidentiality regarding the existence of the investigation.

(b) It is not a violation of this section for a person to contact an attorney or to participate in a criminal investigation.

(c) The subject of the complaint may, in writing, waive the confidentiality protection of this section.

Sec. 39.52.350. Probable cause for hearing.

(a) If the attorney general determines that there is probable cause to believe that a knowing violation of this chapter or a violation that cannot be corrected under AS 39.52.330 has occurred, or that the subject of a complaint failed to comply with a recommendation for corrective or preventive action, the attorney general shall initiate formal proceedings by serving a copy of an accusation upon the subject of the accusation. The accusation shall specifically set out the alleged violation. After service, the accusation is a public document open to inspection. Except as provided in AS 39.52.370(e), all subsequent proceedings are open to the public.

(b) The subject of the accusation shall file an answer with the attorney general within 20 days after service of the accusation, or at a later time specified by the attorney general. If the subject of the accusation fails to timely answer, the allegations are considered admitted.

(c) If the subject of the accusation denies that a violation of this chapter has occurred, the attorney general shall refer the matter to the personnel board, which shall notify the chief administrative law judge (AS 44.64.010), who shall appoint an administrative law judge to serve as a hearing officer to conduct a hearing.

(d) If the subject of the accusation admits a violation of this chapter, the attorney general shall refer the matter to the personnel board to impose penalties under AS 39.52.410, 39.52.440, and 39.52.450, as appropriate.

Sec. 39.52.360. Hearings.
(a) The hearing officer may convene a prehearing conference to set a time and place for the hearing, and for stipulation as to matters of fact and to simplify issues, identify and schedule prehearing matters, and resolve other similar matters before the hearing.

(b) The hearing officer may administer oaths, hold hearings, and take testimony. Upon application by a party to the hearing, the hearing officer may issue subpoenas under AS 39.52.380.

(c) The attorney general shall present the charges before the hearing officer. At a hearing, the attorney general has the burden of demonstrating by a preponderance of the evidence that the subject of the accusation has, by act or omission, violated this chapter.

(d) The parties to a hearing are the attorney general and the subject of the accusation. The subject of an accusation may be represented by counsel. Each party has an opportunity to be heard and cross-examine witnesses, who shall testify under oath.

(e) The Administrative Procedure Act does not apply to hearings under this section, except as provided in AS 39.52.380.

(f) Technical rules of evidence do not apply, but the hearing officer's findings must be based upon reliable and relevant evidence. All testimony and other evidence taken at the hearing must be recorded and the evidence maintained. Copies of transcripts of the hearing record are available to the subject of the accusation at the subject's expense; however, upon request, a copy of the recording of the hearing must be furnished without charge to the subject of the accusation.

(g) At the conclusion of the formal hearing, the hearing officer may direct either or both parties to submit proposed findings of fact, conclusions of law, and recommendation to be filed within 10 days after the conclusion of the hearing.

(h) Within 30 days after the conclusion of a formal hearing, the hearing officer shall serve a written report on the personnel board and the parties, unless the personnel board grants an extension of time. The report must contain the officer's findings of fact, conclusions of law, and recommendation. The hearing officer shall submit the record to the personnel board.

Sec. 39.52.370. Personnel board action.

(a) Within 10 days after receipt of the hearing officer's report, either party may protest the officer's findings of fact, conclusions of law, and recommendation, and, if a protest is filed, shall serve a copy on the other party. Oral argument before the personnel board must be provided only if requested by either party. The board chair shall set the deadline for submission of requests for oral argument, and set the dates for submission of briefs and oral argument before the board, if requested.

(b) The board may issue subpoenas under AS 39.52.380, and may, for good cause shown, augment the hearing record, in whole or in part, or hold a hearing de novo.

(c) The personnel board shall review each report submitted by a hearing officer and shall either adopt or amend the findings of fact, conclusions of law, and recommendation of the officer. Deliberations of the personnel board must be conducted in sessions not open to the public.
(d) If the personnel board determines that a violation occurred, it may impose the penalties in AS 39.52.410, 39.52.440, and 39.52.450, as appropriate. If the board determines that no violation occurred, the board shall issue a written order of dismissal.

(e) The personnel board secretary shall promptly notify the parties and the public officer's designated supervisor of the board's action.

(f) The subject of the accusation may appeal the personnel board’s decision by filing an appeal in the superior court as provided in the Alaska Rules of Appellate Procedure.

Sec. 39.52.380. Subpoenas.

(a) As provided in AS 39.52.310(g), 39.52.360(b), and 39.52.370(b), the attorney general, independent counsel retained under AS 39.52.310(c), a hearing officer, the subject of an accusation, and the personnel board may summon witnesses and require the production of records, books, and papers by the issuance of subpoenas.

(b) Subpoenas must be served in the manner prescribed by AS 44.62.430 and Rule 45 of the Alaska Rules of Civil Procedure. Failure or refusal to obey a subpoena issued under this chapter is punishable as contempt in the manner provided by law and court rule. The superior court may compel obedience to the subpoena in the same manner as prescribed for obedience to a subpoena issued by the court.

Sec. 39.52.390. Service.

Service of an accusation must be accomplished in accordance with Rule 4 of the Alaska Rules of Civil Procedure. Service of any other pleading, motion, or other document must be accomplished in accordance with Rule 5 of the Alaska Rules of Civil Procedure.

**Article 05. ENFORCEMENT; REMEDIES**

Sec. 39.52.410. Violations; penalties for misconduct.

(a) If the personnel board determines that a public employee has violated this chapter, it

(1) shall order the employee to stop engaging in any official action related to the violation;

(2) may order divestiture, establishment of a blind trust, restitution, or forfeiture; and

(3) may recommend that the employee's agency take disciplinary action, including dismissal.

(b) If the personnel board determines that a nonsalaried member of a board or commission has violated this chapter, it (1) shall order the member to refrain from voting, deliberating, or participating in the matter; (2) may order restitution; and (3) may recommend to the appropriate appointing authority that the member be removed from the board or commission. A violation of this chapter is grounds for removal of a board or commission member for cause. If the personnel board recommends that a board or commission member be removed from office, the appointing authority shall immediately act to remove the member from office.

(c) If the personnel board determines that a former public officer has violated this chapter, it shall
(1) issue a public statement of its findings, conclusions, and recommendation; and

(2) request the attorney general to exercise all legal and equitable remedies available to the state to seek whatever relief is appropriate.

(d) If the personnel board finds a violation of this chapter by a public officer removable from office only by impeachment, it shall file a report with the president of the Senate, with its finding. The report must contain a statement of the facts alleged to constitute the violation.

Sec. 39.52.420. Disciplinary action for violation.

(a) In addition to any other cause an agency may have to discipline a public employee, an agency may reprimand, demote, suspend, discharge, or otherwise subject an employee to agency disciplinary action commensurate with the violations of this chapter. This section does not prohibit the review of a disciplinary action in the manner prescribed by an applicable collective bargaining agreement or personnel statute or rule.

(b) An agency may initiate appropriate disciplinary action in the absence of an accusation under this chapter or during the pendency of a hearing or personnel board action.

Sec. 39.52.430. Actions voidable.

(a) In addition to any other penalty provided by law, a state grant, contract, or lease entered into in violation of this chapter is voidable by the state. In a determination under this section of whether to void a grant, contract, or lease, the interests of third parties who could be damaged may be taken into account. The attorney general shall give notice of intent to void a state grant, contract, or lease under this section no later than 30 days after the personnel board’s determination of a violation under this chapter.

(b) In addition to any other penalty provided for by law, the state may require a state loan received in violation of this chapter to become immediately payable.

(c) Any state action taken in violation of this chapter is voidable, except that the interests of third parties and the nature of the violation may be taken into account. The attorney general may pursue any other available legal and equitable remedies.

(d) The attorney general may recover any fee, compensation, gift, or benefit received by a person as a result of a violation of this chapter by a current or former public officer. Action to recover under this subsection must be brought within two years after discovery of the violation.

Sec. 39.52.440. Civil penalties.

The personnel board may impose on a current or former public officer civil penalties not to exceed $5,000 for a violation of this chapter. A penalty imposed under this section is in addition to and not instead of any other penalty that may be imposed according to law.

Sec. 39.52.450. Payment of twice the financial benefit.

The personnel board may, in addition to the civil penalties described in this chapter, require a current or former public officer who has financially benefited a person in violation of this chapter to pay to the state up to twice the amount that the person realized from the violation.
Sec. 39.52.460. Criminal sanctions additional.

To the extent that violations under this chapter are punishable in a criminal action, that sanction is in addition to the civil remedies set out in this chapter.

Article 06. GENERAL PROVISIONS

Sec. 39.52.910. Applicability.

(a) Except as specifically provided, this chapter applies to all public officers within executive-branch agencies, including members of boards or commissions. This chapter does not apply to

(1) a former public officer of an executive-branch agency unless a provision specifically states that it so applies;

(2) legislators covered by AS 24.60; or

(3) the University of Alaska and an employee of the University of Alaska as to activities or employment under a contract between the employee and the university described in AS 14.40.210 (a)(4).

(b) The provisions of this chapter supersede the common law on conflicts of interests that may apply to a public officer of an executive-branch agency and any personnel rules relating to conflicts of interests, excluding nepotism, adopted under AS 39.25. However, nothing in this chapter precludes a prosecution under an applicable criminal statute nor prevents enforcement of any other state law that imposes a stricter standard of ethical conduct on public officers.

(c) The provisions of this chapter are not subject to negotiation by collective bargaining under AS 23.40.

(d) Nothing in this chapter

(1) supersedes AS 39.90.020; or

(2) precludes an immediate family member of a public employee from employment in the same agency or administrative unit as that public employee, so long as the public employee does not have authority to take or withhold official action affecting the terms or conditions of the immediate family member’s employment in a manner that violates state law.

Sec. 39.52.920. Agency policies.

Subject to the review and approval of the attorney general, an agency may adopt a written policy that, in addition to the requirements of this chapter, limits the extent to which a public officer in the agency or an administrative unit of the agency may

(1) acquire a personal interest in an organization or a financial interest in a business or undertaking that may benefit from official action taken or withheld by the agency or unit;

(2) have a personal or financial interest in a state grant, contract, lease, or loan administered by the agency or unit; or

(3) accept a gift.

Sec. 39.52.930. Cooperation.
All agencies and instrumentalities of the state shall cooperate fully with the attorney general and the personnel board in the performance of their duties under this chapter.

Sec. 39.52.940. Construction.

This chapter shall be construed to promote high standards of ethical conduct in state government.

Sec. 39.52.950. Regulations.

The attorney general may adopt regulations under the Administrative Procedure Act necessary to interpret and implement this chapter.

Sec. 39.52.960. Definitions.

In this chapter, unless the context requires otherwise,

(1) "administrative unit" means a branch, bureau, center, committee, division, fund, office, program, section, or any other subdivision of an agency;

(2) "agency" means a department, office of the governor, or entity in the executive branch, including but not limited to the University of Alaska, public or quasi-public corporations, boards or commissions, and the Alaska Railroad Corporation;

(3) "benefit" means anything that is to a person's advantage or self-interest, or from which a person profits, regardless of the financial gain, including any dividend, pension, salary, acquisition, agreement to purchase, transfer of money, deposit, loan or loan guarantee, promise to pay, grant, contract, lease, money, goods, service, privilege, exemption, patronage, advantage, advancement, or anything of value;

(4) "board or commission" means a board, commission, authority, or board of directors of a public or quasi-public corporation, established by statute in the executive branch, including the Alaska Railroad, but excluding members of a negotiated regulation making committee under AS 44.62.710 - 44.62.800;

(5) "business" includes a corporation, company, firm, partnership, sole proprietorship, trust or foundation, or any other individual or entity carrying on a business, whether operated for profit or non-profit;

(6) "child" includes a biological child, an adoptive child, and a stepchild;

(7) "compensation" means any money, thing of value, or economic benefit conferred on or received by a person in return for services rendered or to be rendered by the person for another;

(8) "designated supervisor" or "supervisor" means

(A) the commissioner of each department in the executive branch, for public employees within the department;

(B) the president of the University of Alaska, for university employees;

(C) the attorney general, for the governor and lieutenant governor;

(D) the executive director of a board or commission for the staff of the board or commission;
(E) the chair or acting chair of the board or commission, for the members and the executive
director of a board or commission; and

(F) the governor, for commissioners and for other public officers not included in (A) - (E) of
this paragraph; or

(G) a public officer designated by a commissioner, the university president, or the governor
to act as the supervisor if the name and position of the officer designated has been reported to the
attorney general;

(9) "financial interest" means

(A) an interest held by a public officer or an immediate family member, which includes an
involvement or ownership of an interest in a business, including a property ownership, or a
professional or private relationship, that is a source of income, or from which, or as a result of
which, a person has received or expects to receive a financial benefit;

(B) holding a position in a business, such as an officer, director, trustee, partner, employee,
or the like, or holding a position of management;

(10) "gain" includes actual or anticipated gain, benefit, profit, or compensation;

(11) "immediate family member" means

(A) the spouse of the person;

(B) another person cohabiting with the person in a conjugal relationship that is not a legal
marriage;

(C) a child, including a stepchild and an adoptive child, of the person;

(D) a parent, sibling, grandparent, aunt, or uncle of the person; and

(E) a parent or sibling of the person's spouse;

(12) "instrumentality of the state" means a state agency or administrative unit, whether in
the legislative, judicial, or executive branch, including such entities as the University of Alaska,
the Alaska Railroad, and any public or quasi-public corporations, boards, or commissions; the
term includes municipalities;

(13) "nonsalaried member of a board or commission" means a member of a board or
commission who is not a public employee by virtue of membership on a board or commission;
receipt of per diem, nominal compensation for attendance at meetings, and travel expense
reimbursement does not make a member of a board or commission a public employee for
purposes of this chapter;

(14) "official action" means advice, participation, or assistance, including, for example, a
recommendation, decision, approval, disapproval, vote, or other similar action, including
inaction, by a public officer;

(15) "organization" includes a group, association, society, political party, or other entity
made up of two or more persons, whether operated for profit or nonprofit;
(16) "parent" includes a biological parent, an adoptive parent, and a step-parent of the public officer;

(17) "person" includes a natural person, a business, and an organization;

(18) "personal interest" means an interest held or involvement by a public officer, or the officer's immediate family member or parent, including membership, in any organization, whether fraternal, nonprofit, for profit, charitable, or political, from which, or as a result of which, a person or organization receives a benefit;

(19) "personnel board" or "board" means the personnel board established in AS 39.25.060;

(20) "public employee" or "employee" means a permanent, probationary, seasonal, temporary, provisional, or nonpermanent employee of an agency, whether in the classified, partially exempt, or exempt service;

(21) "public officer" or "officer" means

(A) a public employee;

(B) a member of a board or commission; and

(C) a state officer designated by the governor to act as trustee of the trust or a person to whom the trustee has delegated trust duties; in this paragraph, "trust" has the meaning given in AS 37.14.450;

(22) "source of income" means an entity for which service is performed for compensation or which is otherwise the origin of payment; if the person whose income is being reported is employed by another, the employer is the source of income; if the person is self-employed by means of a sole proprietorship, partnership, professional corporation, or a corporation in which the person, the person’s spouse or child, or a combination of them, holds a controlling interest, the "source" is the client or customer of the proprietorship, partnership, or corporation; if the entity which is the origin of payment is not the same as the client or customer for whom the service is performed, both are considered the source.

Sec. 39.52.965. Short title.

This chapter may be cited as the Alaska Executive Branch Ethics Act.
Article 06. ALASKA HIGHER EDUCATION SAVINGS TRUST AND ALASKA ADVANCE COLLEGE TUITION SAVINGS FUND


(a) The Alaska Higher Education Savings Trust is established in the University of Alaska. The purpose of this trust is to secure obligations to participants and beneficiaries under a postsecondary education savings program operated by the University of Alaska and to provide participants a convenient method of saving for college or other postsecondary education. The Board of Regents of the University of Alaska shall

(1) adopt policies that provide for the administration, management, promotion, and marketing of the trust;

(2) maintain the trust in compliance with requirements of 26 U.S.C. (Internal Revenue Code) for a qualified state tuition program as defined in 26 U.S.C. 529;

(3) coordinate savings options established under the trust and the administration of the trust with the Alaska advance college tuition savings fund (AS 14.40.803.), including the creation of common administrative and record-keeping systems, marketing programs, and operating reserves;

(4) establish participation agreements, including application, savings options, and withdrawal procedures;

(5) enter into participation agreements with participants for the

(A) accumulation, investment, and distribution of funds;

(B) payment or reimbursement of qualified higher education expenses; and

(C) benefit of a beneficiary;

(6) enter into contracts with one or more contractors, including investment managers; in determining the persons to act as investment managers, consideration must be given to the qualifications of the contractor, including the contractor's ability to

(A) administer financial programs with individual account maintenance and reporting;

(B) develop, market, and administer investment options appropriate for the trust; and

(C) augment the savings program with other beneficial products and services;
(7) allow both residents and nonresidents to participate in the trust;

(8) allow the transfer or rollover of funds from the Alaska advance college tuition savings fund and other qualified state tuition programs under 26 U.S.C. 529 and the participation agreement;

(9) allow withdrawals from the trust to be used for qualified higher education expenses, including room and board as allowed by 26 U.S.C. 529;

(10) establish penalties for withdrawals from the trust for nonqualified expenses and other distributions as required under 26 U.S.C. 529 or as provided in the participation agreement;

(11) engage an independent firm of certified public accountants to audit the financial position of the trust.

(b) The board may

(1) divide the trust into multiple investment portfolios;

(2) commingle amounts credited to some or all accounts for investment purposes;

(3) establish trusts and accounts as the board considers appropriate under 26 U.S.C. 529;

(4) require trust participants to pay all administrative fees;

(5) establish earnings reserves as provided in the participation agreement, including reserves for the payment of administrative costs.

(c) The University of Alaska, the board, the state, or an agency of the state is not liable for a loss of funds that are invested under a participation agreement or for the denial of a perceived tax or other benefit. The board shall provide written notice to each applicant that there is no guarantee of any rate of return or benefit and that any risk of loss in account value or other benefit rests exclusively with the participant and the beneficiary.

(d) Notwithstanding any other provision of law, earnings on funds deposited with the trust are not subject to taxation by the state or a municipality.

(e) Except for needs-based scholarships, funds on deposit with the trust may not be considered by the University of Alaska or an agency of the state to limit eligibility for a state-funded scholarship.

(f) A participant has the right, as provided in the participation agreement, to

(1) change the beneficiary of an account to another individual who is a member of the family of the former beneficiary; or
(2) direct that all or a portion of an account be transferred to an account with a new beneficiary if the new beneficiary is a member of the family of the former beneficiary.

(g) The right to change the beneficiary or to transfer between accounts described in (f) of this section may be denied or limited as provided in the participation agreement, including transfers that would result in contributions or account balances in excess of allowable limits under the participation agreement.

(h) Except as provided under AS 34.40.110(b)(4), an account established under this section

(1) is exempt from a claim by the creditors of a participant or of a beneficiary;

(2) is conclusively presumed to be a spendthrift trust;

(3) is not an asset or property of either the participant or the beneficiary;

(4) may not be assigned, pledged, or otherwise used to secure a loan or other advancement;

(5) is not subject to involuntarily transfer or alienation.

(i) Except as permitted in 26 U.S.C. 529, a participant or beneficiary may not directly or indirectly direct the investment of an account or earnings on the account.

(j) A participant may, as provided in the participation agreement, designate a person other than the participant as a successor participant. The designation of a successor participant does not take effect until the participant dies or is declared legally incompetent. If a participant dies or is declared legally incompetent without having effectively designated a successor participant, the beneficiary may designate a successor participant in the manner prescribed above if the beneficiary is not the same person as the successor participant.

(k) The trust, a participation agreement, and this section are intended to comply with the requirements of 26 U.S.C. 529 and shall be interpreted in that manner to the extent permitted by law.

(l) The trust and participation agreements may be modified or amended on a retroactive basis in order to maintain compliance with 26 U.S.C. (Internal Revenue Code) and to maintain efficient operation of the trust as determined by the board.

(m) A name, address, or other information identifying a person as a participant or beneficiary in the trust is confidential.

(n) In this section,

(1) "account" means an individual trust account established under this section;
(2) "beneficiary" means any person designated by a participation agreement, or by another method of designation authorized in this section, to benefit from payments for qualified higher education expenses at an eligible educational institution;

(3) "board" means the Board of Regents of the University of Alaska;

(4) "member of the family" has the meaning given in 26 U.S.C. 529(e);

(5) "participant" means a person who has entered into a participation agreement or has been appointed as a participant as provided in this section and in the participation agreement;

(6) "participation agreement" means an agreement between a participant and the board providing for the establishment by the participant of one or more accounts under this section and for the administration of those accounts for the benefit of the participant and the beneficiary;

(7) "qualified higher education expenses" has the meaning given in 26 U.S.C. 529(e);

(8) "trust" means the Alaska Higher Education Savings Trust.


(a) The Alaska advance college tuition savings fund is established as a nonlapsing fund of the University of Alaska. The purpose of the fund is to secure obligations to participants under a postsecondary education savings program operated by the University of Alaska and to enhance the ability of the university to provide (1) higher education for the people of the state; (2) wide and affordable access to higher education for residents and their children; (3) an incentive for residents to achieve higher academic standards in grades 7 - 12; and (4) an incentive for residents to continue and complete secondary and postsecondary education. The fund may be divided into separate accounts for accounting purposes.

(b) The fund consists of

(1) permanent fund dividend and cash contributions made under AS 14.40.807 under the terms of an advance college tuition savings contract;

(2) appropriations, gifts, bequests, and contributions; and

(3) income and earnings of the fund.

(c) Assets of the fund shall be expended to make payments to the university and other eligible educational institutions, including payments for refunds, redemptions, and awards under a savings contract or scholarships, costs of administration, and other obligations of the fund.

Sec. 14.40.805. Powers and duties of the commissioner of revenue. [Repealed, Sec. 14 ch 3 SLA 2000].
Sec. 14.40.806. [Renumbered as AS 14.43.160.]

Repealed or Renumbered


(a) Contributions to the fund under the terms of an advance college tuition savings contract may be made by direct cash payments or by contributions from the permanent fund dividend. The Department of Revenue shall

(1) prepare the permanent fund dividend application to allow an applicant or a parent, legal guardian, or other authorized representative of an applicant who is an unemancipated minor to contribute 50 percent of a dividend to the fund; and

(2) include with each application for a permanent fund dividend an explanation of the advance college tuition savings program, including the right to receive a refund, a disclosure of the potential tax liability of the fund, and disclosure of the possible general effect of the tax liability on the advance college tuition savings program.

(b) The Department of Revenue shall pay contributions directly to the fund.

(c) In order to assure the actuarial soundness of the fund, the legislature may appropriate annually to the fund the sum, certified by the board to the governor and the legislature, that is necessary to restore the fund to an amount that is actuarially sound. The board annually, before January 30, shall make and deliver to the governor and to the legislature a certificate stating the sum required to restore the fund to an amount that is actuarially sound, and that sum may be appropriated and paid to the fund during that fiscal year. This subsection does not create a debt or liability of the state.

Sec. 14.40.809. Powers and duties of the University of Alaska.

(a) The Board of Regents of the University of Alaska may contract with a purchaser for the purchase of advance college tuition credits for the payment of tuition and other qualified higher education expenses for a beneficiary of any age to attend a branch of the university or other eligible educational institution to which the beneficiary is admitted. A purchaser and a beneficiary may be the same person.

(b) The board shall

(1) make appropriate arrangements as necessary to fulfill the board's obligations under an advance college tuition savings contract;
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(2012 Alaska Statutes)

(2) establish and adopt a formal plan for administration of the advance college tuition savings program; the terms and conditions of the plan shall be considered a part of an advance college tuition savings contract;

(3) establish investment objectives, criteria, and asset allocation guidelines for the fund based on prudent institutional investor guidelines and actuarial analysis of the earnings requirements for the advance college tuition savings plan;

(4) enter into contracts or agreements considered necessary for the investment of the fund, including contracts or agreements with investment managers, consultants, and other custodians of the fund;

(5) engage a financial advisor to report annually on the investment performance of the fund;

(6) engage an independent firm of certified public accountants to audit the financial position of the fund;

(7) do all acts, whether or not expressly authorized, that the board considers necessary or proper in administering the assets of the fund;

(8) enter into reciprocal agreements with Alaska Pacific University and other eligible educational institutions or state tuition programs that the board determines to be beneficial to the advance college tuition savings program;

(9) coordinate savings options established under the Alaska advance college tuition savings program and the administration of the fund with the Alaska Higher Education Savings Trust (AS 14.40.802) including the creation of common administrative and record-keeping systems, marketing programs, and operating reserves.

Sec. 14.40.810. [Renumbered as AS 14.43.250.]

Repealed or Renumbered


(a) An advance college tuition savings contract must set out or include by reference to the plan

(1) the name and date of birth of the purchaser and the beneficiary under the contract;

(2) the number of advance college tuition credits purchased under the contract;

(3) the terms and conditions under which the contract may be terminated and refunds made;
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(2012 Alaska Statutes)

(4) the assumption of a contractual obligation by the board to provide funding for specified education benefits for the beneficiary in accordance with the terms of the plan;

(5) the period of time during which the beneficiary may receive the benefits of the contract; and

(6) other terms and conditions the board determines to be appropriate or that are required under 26 U.S.C. (Internal Revenue Code).

(b) An advance college tuition savings contract may be terminated

(1) if the board determines that the number of purchasers is insufficient to maintain the fund on an actuarially sound basis; or

(2) under other circumstances determined by the board and set out in the advance tuition savings contract or in the plan.

Sec. 14.40.815. [Renumbered as AS 14.43.255.]

Repealed or Renumbered


In AS 14.40.803 – 14.40.817,

(1) "advance college tuition savings contract" or "contract" means a contract entered into by the board and a purchaser to provide for the qualified higher education expenses of a beneficiary;

(2) "beneficiary" means a designated beneficiary as defined under 26 U.S.C. 529(e)(1) (Internal Revenue Code);

(3) "board" means the Board of Regents of the university;

(4) "eligible educational institution" has the meaning given in 26 U.S.C. 135(e) (3) (Internal Revenue Code);

(5) "fund" means the Alaska advance college tuition savings fund established under AS 14.40.803;

(6) "plan" means the formal plan for administration of an advance college tuition savings program adopted by the board under AS 14.40.809(b);

(7) "purchaser" means the person who is named in the contract and has the rights conferred upon a purchaser under an advance college tuition savings contract;
(8) "qualified higher education expenses" has the meaning given in 26 U.S.C. 529(e)(3) (Internal Revenue Code);

(9) "university" means the University of Alaska, including a community college affiliated with the university.
Sec. 37.10.071. Investment powers and duties.

(a) In making investments under this section, the fiduciary of a state fund shall

(1) act as official custodian of cash and investments by securing adequate and safe custodial facilities for them;

(2) receive all items of cash and investments;

(3) collect and deposit the principal of and income from owned or acquired investments;

(4) invest and reinvest the assets in accordance with this section;

(5) receive and spend appropriations to cover the cost of the exercise of duties under this section;

(6) exercise the powers of an owner with respect to the assets;

(7) perform all acts, not prohibited by this section, whether or not expressly authorized, that the fiduciary considers necessary or proper in administering the assets;

(8) maintain accounting records in accordance with generally accepted accounting principles;

(9) engage an independent certified public accountant to conduct an annual audit of the financial condition and investment transactions;

(10) enter into and enforce contracts or agreements considered necessary, convenient, or desirable for the investment purposes of this section; and

(11) when choosing to acquire or dispose of investments, secure competitive national or international market rates or prices, or the equivalence of those rates or prices in the judgment of the fiduciary.

(b) Under this section, the fiduciary of a state fund or the fiduciary's designee may

(1) delegate investment, custodial, or depository authority on a discretionary or nondiscretionary basis to officers or employees of the state or to independent firms, banks, financial institutions, or trust companies by designation through appointments, contracts, or letters of authority;
(2) acquire or dispose of investments either directly, indirectly, or through investment pools or trusts, by competitive or negotiated agreements, contracts, or auctions, in public or private markets;

(3) concentrate or diversify investments as the fiduciary considers appropriate to increase the probable total rate of return or to decrease the overall exposure to potentially adverse market value risks;

(4) protect the market value or the rate of return of the investments by entering into forward agreements to buy or sell assets at a future date as a hedge against existing held assets or as a precommitment of future cash flows;

(5) lend assets, under an agreement and for a fee, against deposited collateral of equivalent market value;

(6) borrow assets on a short-term basis, under an agreement and for a fee, against the deposit of collateral consisting of other assets in order to accommodate temporary cash or investment needs;

(7) hold investments in bearer or registered form in the name of the state, a fund, or nominees authorized by the fiduciary;

(8) utilize consultants, advisors, custodians, investment services, and legal counsel for assistance in investment matters on either a continuing or a limited-term basis and with or without compensation;

(9) declare records to be confidential and exempt from AS 40.25.110 and 40.25.120 if the records contain information that discloses the particulars of the business or the affairs of a private enterprise, investor, borrower, advisor, consultant, counsel, or manager.

(c) In exercising investment, custodial, or depository powers or duties under this section, the fiduciary of a state fund shall apply the prudent investor rule and exercise the fiduciary duty in the sole financial best interest of the fund entrusted to the fiduciary. Among beneficiaries of a fund, the fiduciaries shall treat beneficiaries with impartiality.

(d) In exercising investment, custodial, or depository powers or duties under this section, the fiduciary or the fiduciary's designee is liable for a breach of a duty that is assigned or delegated under this section, or under AS 14.40.255, 14.40.280(c), 14.40.400(b), AS 37.10.070, AS 37.14.110(c), 37.14.160, or 37.14.170. However, the fiduciary or the designee is not liable for a breach of a duty that has been delegated to another person if the delegation is prudent under the applicable standard of prudence set out in statute or if the duty is assigned by law to another person, except to the extent that the fiduciary or designee
(1) knowingly participates in, or knowingly undertakes to conceal, an act or omission of another person knowing that the act or omission is a breach of that person's duties under this chapter;

(2) by failure to comply with this section in the administration of specific responsibilities, enables another person to commit a breach of duty; or

(3) has knowledge of a breach of duty by another person, unless the fiduciary or designee makes reasonable efforts under the circumstances to remedy the breach.

(e) The state shall defend and indemnify the fiduciary or an officer or employee of the state against liability under (d) of this section to the extent that the alleged act or omission was performed in good faith and was prudent under the applicable standard of prudence.

(f) In this section, "fiduciary of a state fund" or "fiduciary" means

(1) the commissioner of revenue for investments under AS 37.10.070;

(2) with respect to the Alaska Retirement Management Board, for investments of the collective funds that it manages and administers,

(A) each trustee who serves on the board of trustees; and

(B) any other person who exercises control or authority with respect to management or disposition of assets for which the board is responsible or who gives investment advice to the board; or

(3) the person or body provided by law to manage the investments for investments not subject to AS 37.10.070.