

University of Alaska

Public Land Deficit

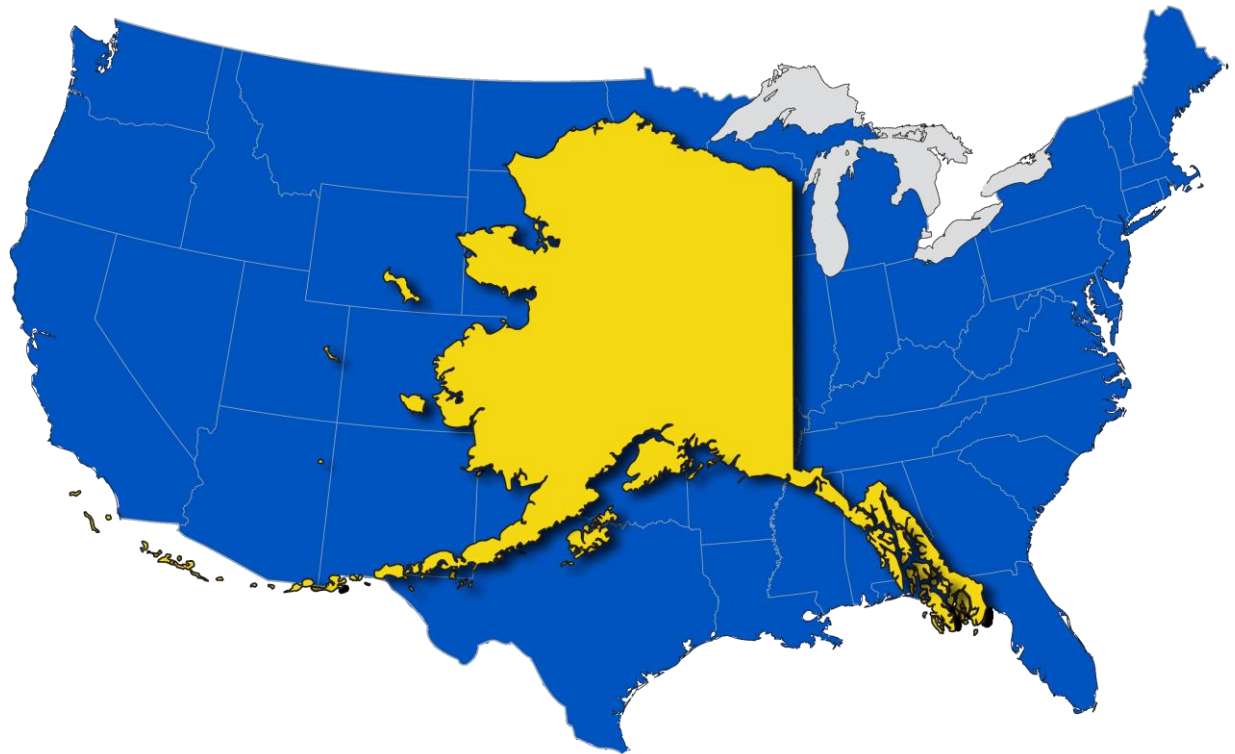
House Finance Education Subcommittee
February 20, 2017

Agenda

- ✧ Land Grant Deficit History
- ✧ Current Thinking on Solution
- ✧ Existing UA Land Holdings
- ✧ UA Land Trust Balance

Landless University

- ✧ Only Delaware received a smaller public land grant than Alaska
- ✧ UA received approximately 110,000 acres of land
- ✧ UA's estimated land grant deficit is 360,000 acres



Land Grant History

- ✧ **1862 Morrill Act:** Passed by Congress under President Lincoln
 - ✧ Provided more than 11 million acres of land to states and territories to create a system of land grant colleges and universities
 - ✧ Every existing state, and every future state, would receive 30,000 acres per member of Congress (90,000 acres for Alaska) to be dedicated to higher education
- ✧ **1915 “Wickersham” Land Grant Statute:** UA was to receive large acreages in interior Alaska (sec. 33 of each township within a large “Tanana Valley” rectangle, estimated at 336,000 acres); during the Territorial era however, these lands remained largely unsurveyed, and less than 5 percent were conveyed to UA
- ✧ **1929 “Sutherland” Land Grant Statute:** Congress granted an additional 100,000 acres of land to the Territory of Alaska, for the exclusive use and benefit of the Alaska Agricultural College and School of Mines

Land Grant History

- ✧ **1959 Statehood:** Although early versions of statehood bills set aside 10,000,000 acres for UA, the final Statehood Act was much different
 - ✧ Congress repealed the 1915 Wickersham land grant, and removed Alaska's eligibility for Morrill Act lands
 - ✧ Instead, Congress gave a large 103 million acre entitlement to the new State of Alaska
 - ✧ Congress expected the state legislature to provide the University with a land endowment from those lands
- ✧ **1959 First Land Grant Veto:** The First Alaska Legislature granted 1,000,000 acres to the University; Governor Egan vetoed
- ✧ **1966 – 1980:** Congress passes Alaska Native Claims Settlement Act (ANCSA) and Alaska National Interest Lands Conservation Act (ANILCA); University land entitlement remains unresolved

Land Grant History

- ✧ **1997-2005:** Senators Murkowski, Congressman Young and Senator Murkowski introduce several federal bills in an attempt to address UA's land deficit
- ✧ **2000 State Legislation:** SB 7 passes authorizing the University to select up to 260,000 acres of state land
 - ✧ Governor Knowles vetoes; Legislature overrides but with less than a three-quarter vote
 - ✧ Supreme Court rules conveyance of land is not an appropriation, but declined to address the potential dedication clause issue
- ✧ **2005 State Legislation:** Legislature passes HB 130 identifying a specific list of lands DNR is to transfer to the University
 - ✧ Southeast Alaska Conservation Council files suite in 2007 arguing the law violates the anti-dedication clause
 - ✧ The State and the University defend the law

Land Grant History

- ✧ **2009 Supreme Court Decision:** Alaska Supreme Court struck down HB130 holding that the state legislature could not set up a permanent land endowment for UA, under the state constitution's anti-dedication clause (*Article 9 Section 7*)
- ✧ **2010 State Legislation:** Governor Parnell introduces HB 295 partially modeled after HB 130 but without the permanent endowment aspects; legislation does not pass
- ✧ **2010:** University complies with Superior Court deadline and transfers HB 130 lands back to Department of Natural Resources

Is There a Solution?

- ✧ The University's estimated land grant deficit is approximately 360,000 acres
- ✧ A permanent land endowment would allow the University to generate more revenue, and over time help moderate our state general fund support
- ✧ The state has repeatedly attempted to remedy the deficit but is constitutionally precluded from doing so
- ✧ The federal government's position is that University land was included in Alaska's Statehood Act grant and has resisted remedies that rely solely on additional federal lands

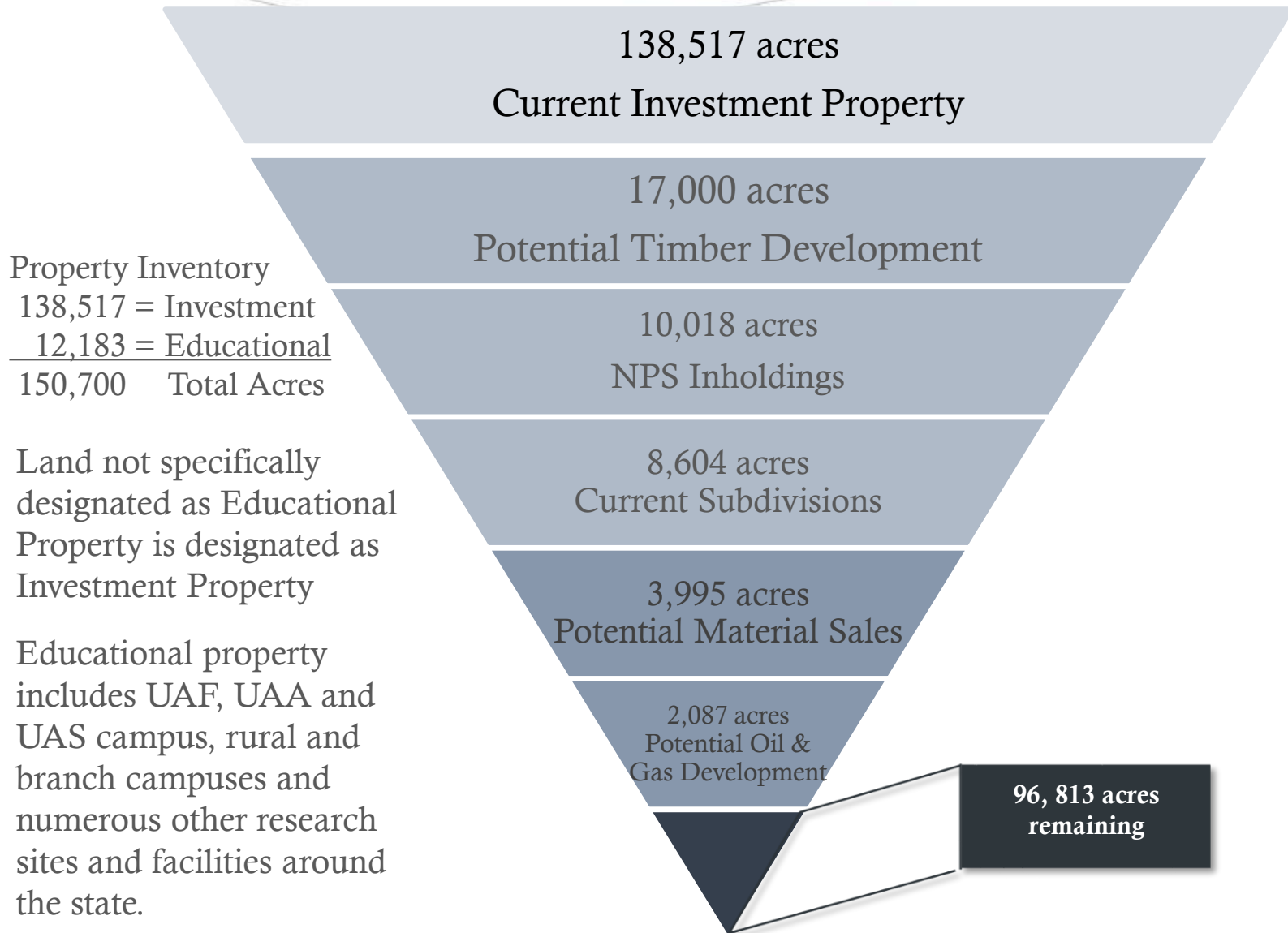
Is There a Solution?

- ✧ The anti-dedication clause has an explicit exemption “*when required by the federal government for state participation in federal programs*”
- ✧ A federal program that establishes a permanent UA land endowment, consisting of a combination of state and federal lands, will ensure compliance with the state constitution
- ✧ State participation in such a federal program will require the state to convey lands through the program for the purpose of endowing the University’s permanent land trust
- ✧ Preliminary discussions are underway with DNR and the congressional delegation on federal legislation to establish such a program

UA Land Holdings

- ✧ UA owns approximately 150,700 acres of land, mostly acquired under (or in replacement for) the 1929 Sutherland Act, but also including land acquired from private parties, and from local, state or federal governments
- ✧ UA's Land Management Office is responsible for managing, developing, acquiring and disposing of all University real property
- ✧ Since 1987, land and resource sales have generated over \$204 million
- ✧ Income generated from the sale, lease, and development of the University's federal land grant are deposited into the University's Land Grant Endowment Trust Fund, the University's permanent endowment
 - ✧ The Trust is managed by University of Alaska Foundation Board of Trustees
 - ✧ Earnings from the endowment trust fund are used to fund an array of natural resources related education and research projects, including fisheries and ocean sciences, biology, and agriculture
 - ✧ Trust earnings also fund the Alaska Scholars Program which awards \$12,000 scholarships to attend UA to the top 10% of high school graduates in Alaska

UA Land Holdings



UA Investment Property

UNIVERSITY OF ALASKA - REGIONAL SUMMARY OF INVESTMENT PROPERTY YEAR ENDING JUNE 30, 2016 (In Acres)

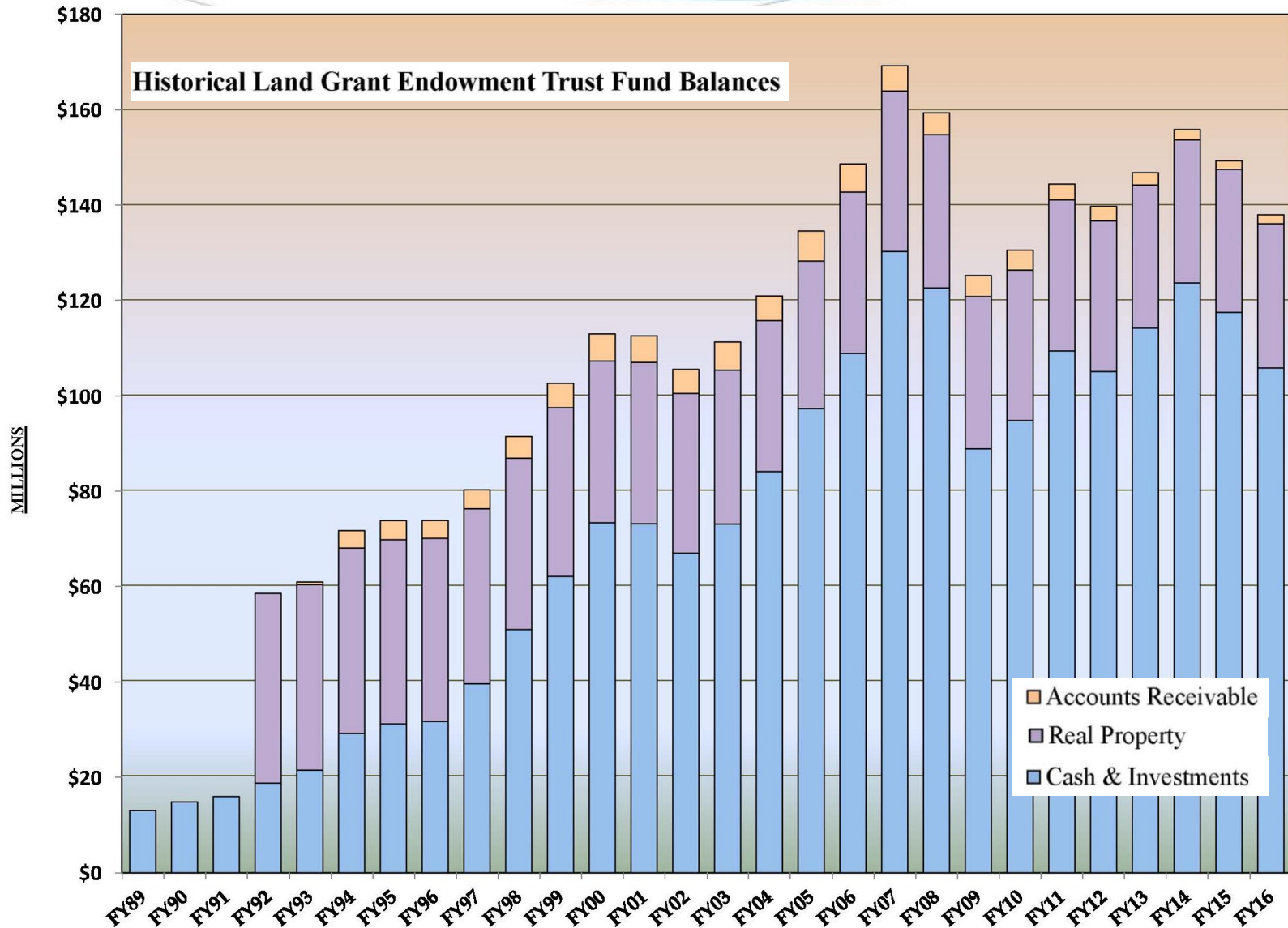
Region	Fee Simple	Surface Rights	Subsurface Only	Timber Rights	Mining Claims	Easement/ ROW	Partnership Interest	Royalty	Total	Percent of Total
ALASKA PENINSULA	1,151	1,393							2,544	1.18%
ANCHORAGE	9		879						888	0.41%
COPPER BASIN	6,608		902						7,511	3.49%
FAIRBANKS	11,102		2,974			5	2	19	14,100	6.55%
GULF	331	843	1,225	61,876	40	21			64,336	29.89%
HAINES	13,826	6	1,070						14,902	6.92%
HOMER	2,844	46	981			1			3,872	1.80%
JUNEAU	713								713	0.33%
KENAI	12,146	361	340						12,847	5.97%
KETCHIKAN	5	2,499	145						2,649	1.23%
MAT-SU	8,058	110	1,425			1			9,593	4.46%
NENANA	12,493		1,308			3			13,804	6.41%
OUT OF STATE	30								30	0.01%
PETERSBURG	113	1,109	41						1,262	0.59%
PRINCE OF WALES		4,095	4						4,099	1.90%
SALCHA-DELTA	7,872		855						8,726	4.05%
SITKA		438	17						456	0.21%
UPPER SUSITNA	14,075	80	325						14,480	6.73%
VALDEZ	312	259	73			1			645	0.30%
WEST FAIRBANKS	8,040		559			32			8,631	4.01%
WHITE MOUNTAIN	19,244	675							19,919	9.25%
WRANGELL ST. ELIAS	7,291	340	1,628						9,259	4.30%
TOTAL	126,263	12,255	14,752	61,876	40	62	2	19	215,267	100%

Type	Fee Simple	Surface Rights	Subsurface Only	Timber Rights	Mining Claims	Easement/ ROW	Partnership Interest	Royalty	Total	Percent of Total
TRUST LAND (Grants, Settlement I & II)	124,702	12,139	13,680	61,876					212,397	98.67%
OTHER LAND (Acquisitions & Donations)	1,561	115	1,071		40	62	2	19	2,870	1.33%
TOTAL by interest rights	126,263	12,255	14,752	61,876	40	62	2	19	215,267	100%

Totals may not sum due to rounding

Total acres of Trust Land = (fee simple + surface rights)	136,841
Total acres of Other Land = (fee simple + surface rights)	1,676
Total Acres University Owned =	138,517

UA Land Trust Balance



UA Land Trust Balance

