

**ALASKA STATE LEGISLATURE  
HOUSE EDUCATION STANDING COMMITTEE**

April 22, 2019

8:08 a.m.

**MEMBERS PRESENT**

Representative Harriet Drummond, Co-Chair  
Representative Andi Story, Co-Chair  
Representative Tiffany Zulkosky  
Representative Josh Revak  
Representative DeLena Johnson

**MEMBERS ABSENT**

Representative Grier Hopkins  
Representative Chris Tuck

**COMMITTEE CALENDAR**

HOUSE JOINT RESOLUTION NO. 13

Urging the Alaska delegation in Congress, the United States Department of the Interior, and the Governor to facilitate the completion of a land grant endowment to the University of Alaska.

- HEARD & HELD

HOUSE BILL NO. 128

"An Act relating to national board certification for public school teachers."

- MOVED HB 128 OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: HJR 13

SHORT TITLE: COMPLETION OF UNIVERSITY LAND GRANT

SPONSOR(S): REPRESENTATIVE(S) PRUITT

|          |     |                                 |
|----------|-----|---------------------------------|
| 03/25/19 | (H) | READ THE FIRST TIME - REFERRALS |
| 03/25/19 | (H) | EDC, RES                        |
| 04/22/19 | (H) | EDC AT 8:00 AM CAPITOL 106      |

BILL: HB 128

SHORT TITLE: TEACHERS: NATIONAL BOARD CERTIFICATION

SPONSOR(S): REPRESENTATIVE(S) KREISS-TOMKINS

04/09/19 (H) READ THE FIRST TIME - REFERRALS  
04/09/19 (H) EDC, CRA  
04/17/19 (H) EDC AT 8:00 AM CAPITOL 106  
04/17/19 (H) Heard & Held  
04/17/19 (H) MINUTE(EDC)  
04/22/19 (H) EDC AT 8:00 AM CAPITOL 106

#### **WITNESS REGISTER**

REPRESENTATIVE LANCE PRUITT  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Speaking as the sponsor, introduced HJR 13 and answered questions.

MILES BAKER, Associate Vice President  
Government Relations  
University of Alaska  
Anchorage, Alaska

**POSITION STATEMENT:** Provided a PowerPoint presentation entitled, "University of Alaska Land Grant Status" dated 4/22/19, during the hearing of HJR 13.

ANDY HARRINGTON, Associate General Counsel  
University of Alaska  
Fairbanks, Alaska

**POSITION STATEMENT:** Answered questions during the PowerPoint presentation entitled, "University of Alaska Land Grant Status" dated 4/22/19, during the hearing of HJR 13.

LAURA CARMACK, Senior Property Manager  
University of Alaska  
Anchorage, Alaska

**POSITION STATEMENT:** Answered questions during the PowerPoint presentation entitled, "University of Alaska Land Grant Status" dated 4/22/19, during the hearing of HJR 13.

JOHN SCANLON, Staff  
Representative Jonathan Kreiss-Tomkins  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** On behalf of Representative Kreiss-Tomkins, sponsor of HB 128, answered a question during the hearing of HB 128.

#### **ACTION NARRATIVE**

[8:08:22 AM](#)

**CO-CHAIR HARRIET DRUMMOND** called the House Education Standing Committee meeting to order at 8:08 a.m. Representatives Johnson, Zulkosky, Revak, and Drummond were present at the call to order. Representative Story arrived as the meeting was in progress.

**HJR 13-COMPLETION OF UNIVERSITY LAND GRANT**

[8:09:04 AM](#)

CO-CHAIR DRUMMOND announced the first order of business would be HOUSE JOINT RESOLUTION NO. 13, Urging the Alaska delegation in Congress, the United States Department of the Interior, and the Governor to facilitate the completion of a land grant endowment to the University of Alaska.

[Due to recording difficulties, portions of the audio were lost.]

[8:09:32 AM](#)

REPRESENTATIVE LANCE PRUITT, Alaska State Legislature, informed the committee although the University of Alaska (UA) is a land grant university, it has not received its full allotment of land. In fact, UA is still owed approximately 360,000 acres, which, if conveyed, would serve to alleviate some of the university's financial challenges, as does land owned by the Alaska Mental Health Trust Authority, which generates income from its land to provide services to its beneficiaries. In 2000 and 2005, the legislature sought to provide land allotments to UA, but its actions were found unlawful by the Alaska Supreme Court. Therefore, HJR 13 requests the Alaska congressional delegation work with the federal government to complete the land grant endowment to UA.

[Due to recording difficulties, portions of the audio were lost.]

REPRESENTATIVE ZULKOSKY asked whether the land in question is federal land, and for the amount of land that would be conveyed.

REPRESENTATIVE PRUITT affirmed the land is federal land ....

[Due to recording difficulties, portions of the audio were lost.]

8:15:00 AM

The committee took an at-ease from 8:15 a.m. to 8:17 a.m.

REPRESENTATIVE JOHNSON asked about the specifics of the land to be conveyed.

REPRESENTATIVE PRUITT explained the total land grant is a little under 105,000 acres ....

[Due to recording difficulties, portions of the audio were lost.]

REPRESENTATIVE PRUITT said the current and previous [state] administrations have been actively pursuing this matter.

REPRESENTATIVE JOHNSON asked how many other states have not received their conveyance of federal land.

REPRESENTATIVE PRUITT advised the majority of other states have received their federal land conveyances. He pointed out, especially on the East Coast, all federal land grants were conveyed to [institutions of higher education]; however, as western states were granted statehood, less land was given to state universities. He explained after the [Alaska Statehood Act] was enacted changes were made to the Territory of Alaska's earlier land grant allocations, in a manner similar to changes in federal law made by passage of the Alaska National Interest Lands Conservation Act (ANILCA). However, Alaska can still request to change the law again and receive the land grants that were originally authorized to support its university system.

REPRESENTATIVE JOHNSON surmised this is a favorable time to approach the U.S. Department of the Interior (DOI).

REPRESENTATIVE PRUITT agreed for multiple reasons: the current [federal] administration is favorable to Alaska; there are two U.S. senators representing Alaska who hold positions in key places; current federal fiscal challenges require states to "provide for themselves." He addressed the importance of putting Alaska in a position to educate its students.

8:23:26 AM

MILES BAKER, Associate Vice President, Government Relations, UA, provided a PowerPoint presentation entitled, "University of Alaska Land Grant Status" dated 4/22/19. Mr. Baker informed the committee UA is a land grant university, but out of 49 states that received college land grants, only Delaware was given less acreage than Alaska. He directed attention to information provided in the committee packet on the history of land grants dedicated to higher education; Attachment 1 was information on the acreage of all of the university land grants allotted to 49 states [Hawai'i received a monetary permanent endowment]. Mr. Baker said a land grant university, college, or institution is an entity of higher education that has been granted federal land so that the entity can raise money and establish an endowment. The program was established by the Morrill Act of 1862; the mission of the act was to spread education in the fields of agriculture, science, and engineering, and to develop U.S. western expansion. Currently there are over 70 land grant institutions in the U.S; however, under terms within the Alaska Statehood Act (statehood), Alaska was not granted its allotment. Mr. Baker directed attention to slide 3 and noted Alaska has received 110,000 acres of its entitlement and is due approximately 360,000 acres. A permanent land grant would help provide an endowment for the university and generate a steady source of income that would reduce the amount of funds required from the state's general fund (GF). However, the federal government's position is that the federal responsibility for providing the land grant was fulfilled by the land that was transferred to the state at statehood (slide 4).

8:29:00 AM

MR. BAKER continued, noting three pre-[Alaska]statehood federal laws determine Alaska's entitlement (slide 5): the Morrill Act of 1862, which was revoked at statehood; the 1915 Wickersham Land Grant Statute, which granted Alaska 336,000 acres in the Tanana Valley area, of which only 5 percent was conveyed prior to its revocation at statehood; the 1929 Land Grant Statute, which conveyed 100,000 acres of UA's current landholdings. Attempts by the legislature to provide additional land to UA began in 1959, when the First Alaska State Legislature transferred 1 million acres to UA, but the legislation was vetoed by former Governor William Egan; between the '60s and the '80s, land issues in Alaska were complicated by legal action related to the Alaska Native Claims Settlement Act (ANCSA) and the Alaska National Interest Lands Conservation Act (ANILCA), and by Land Orders imposed by the Bureau of Land Management (BLM), DOI, related to construction of the Trans-Alaska Pipeline

System. In 2000, the legislature passed legislation to grant land to UA, which received a favorable ruling by the Alaska Supreme Court; in 2005, the legislature passed legislation to transfer actual pieces of land to UA, however, in 2009, that legislation was ruled against by the Alaska Supreme Court as a violation of the anti-dedication clause of the Alaska State Constitution. Currently, UA owns about 151,000 acres from the 1929 Land Grant Statute, private donations, and land granted from local governments (slides 6 and 7).

8:34:26 AM

MR. BAKER noted there is a possible solution for the legislation that was ruled unconstitutional: an exemption from the anti-dedication clause in the state constitution. He said, "There is [an] exemption in that - in the dedication clause - that says that dedication, in essence, is allowed when required by the federal government for state participation in a federal program." So, since 2009, UA has been working with the Alaska delegation to create an applicable federal program; however, he restated the federal government's position that UA's land is included in the federal land that will be transferred when the state makes its final land selection from its remaining entitlement of 5 million acres not encumbered by public land orders. In fact, about 20 million acres could be part of an agreement between BLM, the Department of Natural Resources (DNR), and UA. The agreement would be part of a UA land trust program established by the federal government (slide 8). He remarked:

We believe it could be a robust program that also solves some of the outstanding administrative and other land issues that are affecting the final selection for the state. So, we see this as sort of a potentially good impetus and a good problem to be worked into that final solution with, with the state's own land ... selections. We've looked at whether there's a need for federal legislation, there may not be a need, for that ... but we do believe that through the ... federal land policy management act, which is the federal act that governs how public lands are managed by BLM, and also some authorities ... included in ANILCA, that DOI may actually have the administrative authority to do these sorts of exchanges ....

8:38:28 AM

MR. BAKER directed attention to slide 9 which illustrated UA's current landholdings in the amount of 151,000 acres; about 12,000 acres are educational land consisting of campuses, research sites, and other facilities, and 139,000 acres are invested in five categories of real estate. He pointed out UA does not hold a significant amount of land with developable natural resources; most investment has been in residential real estate, commercial property, and timber resources. Slide 10 illustrated historical receipts: since 1987, UA generated \$220,000 from its lands; in fiscal year 2018 (FY 18) UA generated \$10 million in gross receipts, with an average over the last 20 years of \$8.5 million. Slide 11 was a graph which illustrated "sporadic" receipts by resource category from FY 87-FY 18; a permanent land endowment would "smooth out that revenue stream." Finally, he presented the UA Land Trust Balance that at the end of FY 18 was about \$160 million, a large portion of which funds the UA Scholars Program that offers scholarships to the top 10 percent of Alaska high school graduates (slide 12).

[8:42:53 AM](#)

REPRESENTATIVE ZULKOSKY returned attention to slide 11 and asked if the graph shows how UA monetizes its land to generate revenue for the university.

MR. BAKER said yes. He pointed out the pie chart on slide 10 illustrates the cumulative amount, earned since 1987, is \$221 million, from the following categories: real estate, including sales, leases, and easements; forest timber sales in the [Tongass National Forest]; gravel and rock extractions; mining, coal, oil, and gas. Mr. Baker further explained land and timber sales are predominately a one-time gain; however, UA prefers landholdings that fit the profile of the university and generate income on an ongoing basis, such as royalty from oil and gas, other property leases, or wetlands carbon banks.

REPRESENTATIVE ZULKOSKY returned attention to slide 6, noting ANCSA, characterized in the presentation as a "complicating [factor]," was in fact a settlement of treaty obligations to aboriginal land claims which has generated millions of dollars of revenue for Alaska and significant investment in higher education. Further, ANILCA established over 43 million acres of new national parkland in Alaska. She asked:

What is the university's expectation, potentially, of impacts to other federal lands or land status in order

to make sure that this land, land grant is conveyed?  
[Are] there going to be impacts to other federal lands  
in Alaska as a result of any potential acts of  
Congress?

MR. BAKER responded:

I think we certainly understand ... under the broader  
sort of feeling in Congress, and within the federal  
land managers, that probably no, no new federal land,  
no new additive federal land would come to Alaska  
through this program ... we don't anticipate the feds  
deciding that, we know, we should get ... 360,000  
acres of federal land that exists in Alaska, that it  
is not due to someone else already, or to another  
organization. We do believe that there are things we  
have in our portfolio that are to the, could be to the  
benefit of the federal government and the public at  
large. Whether that's our park inholdings - we've got  
several inholdings in national parks - that sound  
great, but they're very remote, very hard to develop.  
It's a small market of folks that might even be  
interested ... but the federal government, I think, is  
interested in them ... potentially being able to more  
effectively manage those national parks in a  
contiguous fashion. ... We think there actually may  
be sort of mutual benefits there, but I think it, it  
will largely depend on what land, what land we would  
end up negotiating with DNR. We anticipate that it's  
principally going to be state land or land owed to the  
state through their final five million settlement.  
But where those lands are and how they might impact  
other adjacent property owners, that sort of thing,  
I'm not sure we know yet.

[8:50:16 AM](#)

ANDY HARRINGTON, Associate General Counsel, UA, agreed with Mr.  
Baker. He opined UA is offering a simple proposal that will not  
require federal legislation or the need to revisit any previous  
decision by Congress. He surmised the idea is to get the land  
grant "gap" filled, using lands that are due to the state as  
much as possible. Mr. Harrington said UA would avoid lands that  
are in dispute between the state and Native corporations, or  
other controversial issues, and seeks to fill the gap with  
noncontroversial land.

[8:51:48 AM](#)

REPRESENTATIVE JOHNSON returned attention to slide 11, noting the [University of Alaska Fairbanks (UAF)] agricultural farm, and the Trunk Road property, were large tracts of federal land that were granted to UA for experimental farms and agriculture, but were sold because of their monetary value. She asked, if UA is granted more federal land, whether the land would be used for educational or resource development purposes, or would be sold to generate revenue.

MR. BAKER related UA seeks to manage its land as a trust so that receipts earned from the sale of real estate would be returned to the trust to fund UA operations and programs - some of which are related to natural resource development - in order to establish a connection between educational programming and resource revenue in support of educational programming. He opined the aforementioned sales were of land that was in demand, with the intent to balance UA's portfolio and thereby reduce its dependence on state GF.

[8:56:12 AM](#)

LAURA CARMACK, Senior Property Manager, UA, confirmed the aforementioned properties were sold in response to industry need; however, UA's focus is now on resource development and the properties currently owned by UA in the Matanuska-Susitna (Mat-Su) area are mostly educational land.

REPRESENTATIVE JOHNSON pointed out several [UA] agricultural holdings and projects in Mat-Su are being transferred to UAF even though Mat-Su is the only location for a thriving agricultural and educational facility. She asked whether additional UA holdings in Mat-Su will be sold because of their value.

CO-CHAIR DRUMMOND recalled the Fairbanks area was once entirely self-supporting through agriculture.

MR. BAKER offered to provide further information related to UA's short-term plans for its experimental farm that is part of the UAF extension program. He acknowledged portions of the Mat-Su properties were primarily sold to accommodate the growth of transportation corridors and the Mat-Su Regional Medical Center.

REPRESENTATIVE JOHNSON returned to slide 11 and questioned whether UA seeks to sell its property or turn to "active resource development," such as oil and gas leasing, on its land.

MR. BAKER related UA is currently conducting a review of its land and will further discuss with DNR the land that was [transferred] by the legislature in 2005 and returned to the state in 2010; he advised - generally - UA is interested in the same sort of revenue-generating land as the state; for example, UA's preference is to maintain landholdings that have oil and gas, mineral, and mining potential.

REPRESENTATIVE JOHNSON urged UA to seek and manage land that produces income from resource development.

[9:02:46 AM](#)

CO-CHAIR DRUMMOND encouraged Mr. Baker to review the continuity of services to Southcentral that are delivered from the UA cooperative extension service office in Fairbanks.

REPRESENTATIVE REVAK asked whether there are other sources of real estate income, in addition to sales, such as commercial or residential rent and leases, and if so, the amount thereof.

MS. CARMACK explained the revenue generated from the sale of UA property, leasing, and permitting activity is included on slide 11.

[Due to recording difficulties some portions of the audio were lost.]

REPRESENTATIVE REVAK inquired as to the percentage of real estate revenue earned by leasing and permit activity.

MS. CARMACK said currently the majority is permit activity and leasing; the majority of leasing revenue is from commercial office space leasing and leasing of land throughout the state. In further response to Representative Revak, she offered to provide the percentage of real estate revenue from lands that UA has retained.

[9:07:13 AM](#)

CO-CHAIR STORY asked how the UA land grant "dovetails with land grants for K-12 schools." She recalled K-12 schools are

entitled to land that has not been acquired because the land was never surveyed.

MR. HARRINGTON affirmed public school land grants and university land grants began with the 1915 Wickersham Land Grant Statute which set aside one section in each township of the Tanana Valley [survey] "rectangle" and two sections in each township throughout the territory for public school lands. Subsequently, the two issues diverged; in 1978, the legislature changed the public school land sections into general land grants and instead gave the public schools a revenue stream: one-half of one percent of all revenue generated from resource development throughout the state. Although UA was given the same option, the UA Board of Regents decided not to accept. Also, in 1980, ANILCA included an additional 75,000 acres of federal land specifically to fulfil the remaining school land trust but did not address the UA land grant gap. In response to Co-Chair Drummond, he said further information on legislation related to UA could be found in the committee packet.

[9:10:59 AM](#)

CO-CHAIR DRUMMOND opened public testimony on HJR 13. She announced HJR 13 was held over with public testimony open.

**HB 128-TEACHERS: NATIONAL BOARD CERTIFICATION**

[9:11:44 AM](#)

CO-CHAIR DRUMMOND announced the final order of business would be HOUSE BILL NO. 128, "An Act relating to national board certification for public school teachers."

CO-CHAIR STORY referred to discussions [subsequent to the 4/17/19 bill hearing] about adding funding to HB 128 and asked for an update from the sponsor.

[9:13:15 AM](#)

JOHN SCANLON, Staff, Representative Jonathan Kreiss-Tomkins, Alaska State Legislature, said discussions are underway with education advocates across the state and with legislators about sources of funding that would not require additional legislation.

[9:13:54 AM](#)

CO-CHAIR STORY moved to report HB 128 out of committee with individual recommendations and the accompanying zero fiscal notes. There being no objection, HB 128 was reported out of the House Education Standing Committee.

[9:14:42 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Education Standing Committee meeting was adjourned at 9:14 a.m.