

Offered: 4/24/86
For Today's Calendar

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 241 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to fiscal procedures of the Univer-
7 sity of Alaska; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 14.40.170(b) is amended to read:

10 (b) The Board of Regents may

11 (1) adopt reasonable rules, orders, and plans with reason-
12 able penalties for the good government of the university and for the
13 regulation of the Board of Regents;

14 (2) determine and regulate the course of instruction in the
15 university with the advice of the president;

16 (3) set student tuition and fees;

17 (4) receive and spend university receipts in accordance
18 with the Executive Budget Act (AS 37.07).

19 * Sec. 2. AS 14.40.210 is amended to read:

20 Sec. 14.40.210. POWERS OF PRESIDENT OF THE UNIVERSITY. The
21 president of the University of Alaska may

22 (1) give general direction to the work of the University of
23 Alaska in all its departments subject to the approval of the Board of
24 Regents; [.]

25 (2) appoint the deans, heads of departments, professors,
26 assistants, instructors, tutors, and other officers of the University
27 of Alaska to the positions established by the Board of Regents;

28 (3) establish procedures for receipt, expenditure, and
29 fiscal year reporting of university receipts.

1 * Sec. 3. AS 14.40.250 is amended to read:

2 Sec. 14.40.250. REGENTS TO ACT AS TRUSTEES AND ADMINISTER MONEY
3 OR PROPERTY [FROM SOURCES OTHER THAN LEGISLATURE OR FEDERAL APPROPRIA-
4 TION]. The Board of Regents may receive, manage, and invest money or
5 other real, personal, or mixed property [IN ANY MANNER RECEIVED FROM
6 SOURCES OTHER THAN THE STATE LEGISLATURE OR FEDERAL APPROPRIATION] for
7 the purpose of the University of Alaska, its improvement or adornment,
8 or the aid or advantage of students or faculty, and, in general, may
9 act as trustee on behalf of the University of Alaska for any of these
10 purposes. The [HOWEVER, THE] regents shall make a written report to
11 the legislature, in accordance with AS 14.40.190, as to the adminis-
12 tration and disposition of money [FUNDS] received under this section.

13 * Sec. 4. AS 14.40 is amended by adding a new section to read:

14 Sec. 14.40.255. INVESTMENT OF SURPLUS MONEY. If the Board of
15 Regents determines that there is a surplus of money, received in the
16 form of state and federal appropriations, above the amount sufficient
17 to meet current and projected cash expenditure needs of the universi-
18 ty, the surplus must be invested in the same instruments set out in
19 AS 37.10.070 approved for investment of state treasury surplus.
20 Interest income earned on investments made under this section may be
21 retained by the university and expended in accordance with the Execu-
22 tive Budget Act (AS 37.07).

23 * Sec. 5. AS 14.40 is amended by adding a new section to read:

24 Sec. 14.40.325. REALLOCATION OF STATE APPROPRIATIONS. Notwith-
25 standing the provisions of AS 37.07.080(e), each appropriation to the
26 University of Alaska is subject to reallocation by the university
27 administration under procedures established by the Board of Regents
28 and the division of budget review in the Office of the Governor.
29 Transfers may not be made between appropriations except as provided in

1 an Act making transfers between appropriations.

2 * Sec. 6. AS 14.40 is amended by adding a new section to article 3 to
3 read:

4 Sec. 14.40.455. UNIVERSITY RISK MANAGEMENT FUND. (a) There is
5 established in the general fund the University of Alaska risk manage-
6 ment fund. The fund consists of money appropriated by the legislature
7 for the purpose of providing a nonlapsing collateral fund for payment
8 of uninsured losses of the University of Alaska in excess of pre-
9 established loss assumption levels.

10 (b) The fund may be used only for the purposes of making pay-
11 ments as a result of

12 (1) civil suits;

13 (2) claims, damages, or losses to real and personal proper-
14 ty owned by or in the actual or constructive possession of the Univer-
15 sity of Alaska;

16 (3) losses of income from real and personal property; and

17 (4) expenses, attorney fees, and claims investigation costs
18 associated with claims or losses.

19 (c) The legislature may appropriate into the fund earnings
20 derived from temporary investment of collateral fund assets, recover-
21 ies of losses previously charged to the fund, and restoration of funds
22 utilized for specified claims. The amount of the fund may not exceed
23 the amount necessary and prudent based on independent actuarial deter-
24 minations. The University of Alaska may request that University of
25 Alaska funds be deposited into the risk management collateral fund
26 under AS 37.07.080(h).

27 (d) The Department of Administration and the University of
28 Alaska shall determine the loss assumption levels at the beginning of
29 each fiscal year for the purpose of assessing the risk management

1 collateral fund. The loss assumption levels shall be established at
2 the amount necessary and prudent based on independent actuarial deter-
3 minations.

4 (e) An annual report of the activity of the fund and loss as-
5 sumption levels shall be submitted by the Department of Administration
6 to the Office of Management and Budget and the Legislative Budget and
7 Audit Committee.

8 * Sec. 7. AS 14.40 is amended by adding a new section to read:

9 Sec. 14.40.490. DEFINITION FOR AS 14.40.120 - 14.40.490. For
10 purposes of AS 14.40.120 - 14.40.490, "university receipts" includes

- 11 (1) student fees, including tuition;
- 12 (2) receipts from university auxiliary services;
- 13 (3) recovery of indirect costs of university activities;
- 14 (4) sales and rentals of university property;
- 15 (5) gifts, grants, and contracts;
- 16 (6) sales, rentals, and services of educational activities.

17 * Sec. 8. AS 37.25.010 is amended by adding new subsections to read:

18 (c) University receipts received on or before June 30 of a
19 fiscal year in excess of the amount expended for that year may be
20 expended in the succeeding fiscal year if an appropriation of univer-
21 sity receipts has been made for the succeeding fiscal year. The
22 amount of university receipts expended in a fiscal year may not exceed
23 the amount of university receipts appropriated for that year.

24 (d) The University of Alaska shall report the amount of univer-
25 sity receipts received in one year and expended in the succeeding
26 fiscal year to the Department of Administration and the Legislative
27 Budget and Audit Committee by September 30 of the succeeding fiscal
28 year.

29 (e) In this section, "university receipts" has the meaning given

1 in AS 14.40.490.

2 * Sec. 9. This Act takes effect immediately in accordance with AS 01.-
3 10.070(c).