

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) am
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 administration of the
7 University of Alaska; and providing for an effective
8 date."

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

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

11 (b) The Board of Regents may

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

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

17 (3) set student tuition and fees;

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

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

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

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

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

29 (3) establish procedures for receipt, expenditure, and

1 fiscal year reporting of university receipts.

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

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

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

15 Sec. 14.40.255. INVESTMENT OF SURPLUS MONEY. If the Board of
16 Regents determines that there is a surplus of money, received in the
17 form of state and federal appropriations, above the amount sufficient
18 to meet current and projected cash expenditure needs of the universi-
19 ty, the surplus must be invested in the same instruments set out in
20 AS 37.10.070 approved for investment of state treasury surplus, except
21 that funds may not be invested in the stocks, bonds, securities or
22 other obligations of a corporation or other business firm that has
23 outstanding loans with, or is engaged directly or indirectly in man-
24 ufacturing, assembling, warehousing, or other substantial business
25 operations (1) within the Republic of South Africa until the Board of
26 Regents determines that apartheid in the Republic of South Africa has
27 been eliminated, or (2) within the Union of Soviet Socialist Republics
28 until the Board of Regents determines that oppression in the Union of
29 Soviet Socialist Republics has been eliminated, Interest income earned

1 on investments made under this section may be retained by the univer-
2 sity and expended in accordance with the Executive Budget Act
3 (AS 37.07).

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

5 Sec. 14.40.325. REALLOCATION OF STATE APPROPRIATIONS. Notwith-
6 standing the provisions of AS 37.07.080(e), each appropriation to the
7 University of Alaska is subject to reallocation by the university
8 administration under procedures established by the Board of Regents
9 and the division of budget review in the Office of the Governor.
10 Transfers may not be made between appropriations except as provided in
11 an Act making transfers between appropriations.

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

14 Sec. 14.40.455. UNIVERSITY RISK MANAGEMENT FUND. (a) There is
15 established in the general fund the University of Alaska risk manage-
16 ment fund. The fund consists of money appropriated by the legislature
17 for the purpose of providing a nonlapsing collateral fund for payment
18 of uninsured losses of the University of Alaska in excess of pre-
19 established loss assumption levels.

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

22 (1) civil suits;

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

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

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

29 (c) The legislature may appropriate into the fund earnings

1 derived from temporary investment of collateral fund assets, recover-
2 ies of losses previously charged to the fund, and restoration of funds
3 utilized for specified claims. The amount of the fund may not exceed
4 the amount necessary and prudent based on independent actuarial deter-
5 minations. The University of Alaska may request that University of
6 Alaska funds be deposited into the risk management collateral fund
7 under AS 37.07.080(h).

8 (d) The Department of Administration and the University of
9 Alaska shall determine the loss assumption levels at the beginning of
10 each fiscal year for the purpose of assessing the risk management
11 collateral fund. The loss assumption levels shall be established at
12 the amount necessary and prudent based on independent actuarial deter-
13 minations.

14 (e) An annual report of the activity of the fund and loss as-
15 sumption levels shall be submitted by the Department of Administration
16 to the Office of Management and Budget and the Legislative Budget and
17 Audit Committee.

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

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

- 21 (1) student fees, including tuition;
- 22 (2) receipts from university auxiliary services;
- 23 (3) recovery of indirect costs of university activities;
- 24 (4) sales and rentals of university property;
- 25 (5) gifts, grants, and contracts;
- 26 (6) sales, rentals, and services of educational activities.

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

28 (c) University receipts received on or before June 30 of a
29 fiscal year in excess of the amount expended for that year may be

1 expended in the succeeding fiscal year if an appropriation of univer-
2 sity receipts has been made for the succeeding fiscal year. The
3 amount of university receipts expended in a fiscal year may not exceed
4 the amount of university receipts appropriated for that year.

5 (d) The University of Alaska shall report the amount of univer-
6 sity receipts received in one year and expended in the succeeding
7 fiscal year to the Department of Administration and the Legislative
8 Budget and Audit Committee by September 30 of the succeeding fiscal
9 year.

10 (e) In this section, "university receipts" has the meaning given
11 in AS 14.40.490.

12 * Sec. 9. This Act takes effect immediately in accordance with AS 01.-
13 10.070(c).