

COMMITTEE REPORT

SENATE

4/25/75

Mr. President:

Date 4/25/75

The Committee on FINANCE has had HR 123
relating to the U. of A. Anchorage Campus Student Center Revenue Fund
under consideration. A Majority of the members of the Committee

- recommends it DO PASS
- recommends it DO NOT PASS
- recommends it DO PASS WITH ATTACHED AMENDMENT(S)
- recommends it BE REPLACED WITH CS FOR _____ AND THAT
CS FOR _____ DO PASS
- "and" recommends it BE REFERRED TO THE _____
COMMITTEE
- reports it back WITHOUT RECOMMENDATION
- "other"

Members signing the Majority report.

<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____

Members NOT concurring in the Majority report:

_____ recommends:
_____ recommends:
_____ recommends:
_____ recommends:
_____ recommends:

[Signature] Chairman

The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. HOUSE BILL NO. 323
 Title: Relating to the U of A Anchorage Campus Student Revenue Fund.
 Requested by: House Finance Committee Date: 2/21/78
 Return Date Requested: _____
 Agency: _____ Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: University of Alaska

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
Reserve Requirement:				95.0		
TOTAL						

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Student Fees)				95.0		

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Current legislation authorizes the U/A to pledge up to 25% of student fees to amortize the revenue bond issue, thus providing a coverage of 125% in the most critical year (FY 78). The bonds have been rated therefore at "BAA". U/A received no bids on March 16 for these bonds. Increasing the allowable percentage of student fees available for redemption and coverage to 35% will provide coverage of 150% of maximum debt service and will cause a rate change to "A". U/A's bond counsel have stated that bonds with this rating will be readily sold in time to award construction contracts this year (April 24).

IV.

v. DATE: March 21 / 78 PREPARED BY: R. Golden

Original: Legislative Finance
 Budget and Management
 cc: Prime Sponsor (First Legislator Named)

University of Alaska Student Union Revenue Bonds.

Existing Legislation
(provides 25% of student fees)

<u>Projected Revenue</u>		<u>Expenditure</u>
FY 76	\$490.0	\$480.0 - interim finance
FY 77	\$562.0	\$480.0 - interim finance
FY 78*	\$659.8	\$580.0 - interim finance and reserve (\$100,000)
FY 79	\$770.1	\$580.0 - interim finance and reserve (\$100,000)

*Coverage shortfall - \$94,200 for FY 78 only @ 125% of debt service.

Proposed Legislation
(Provides 35% of student fees)

<u>Projected Revenue</u>		<u>Expenditure</u>
FY 76	\$686.0	\$480.0 as above
FY 77	\$787.8	\$480.0 "
FY 78*	\$933.7	\$580.0 "
FY 79	\$1078.7	\$580.0 "

*Coverage adequate @ 150% of debt service.

NOTE: The coverage is not encumbered or otherwise lost to U/A's general fund except in that fiscal year, but merely provides bond holders with a greater assurance of protection in case of a dramatic drop in enrollment.

Introduced: 3/21/75
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 HOUSE BILL NO. 323

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the University of Alaska Anchorage
7 Campus Student Center Revenue Fund; and providing for
8 an effective date."

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

10 * Section 1. Chapter 93, sec. 1(a), SLA 1974 is amended to read:

11 (a) There is a special fund of the university to be known as the
12 "Anchorage Campus Student Center Revenue Fund" which shall be completely
13 segregated and set apart from all other funds of the university, which
14 is a trust fund for the uses and purposes provided in this Act, and
15 into which shall be paid 35 [25] per cent of all student fees, or a
16 lesser per cent of all student fees determined by the board, and special
17 fee assessments as determined by the board.

18 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
19 070(c).

The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. HOUSE BILL No. 323
 Title: FOLIOLES TO THE U OF A ANCHORAGE CAMPUS STUDENT REVENUE FUND
 Requested by: House Finance Committee Date: 2/21/75
 Return Date Requested: _____
 Agency: _____ Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: University of Alaska

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
Reserve Requirement				95.0		
TOTAL						

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Student fees)				95.0		

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Current legislation authorizes the U/A to pledge up to 25% of student fees to amortize the revenue bond issue, thus providing a coverage of 125% in the most critical year (FY 78). The bonds have been rated therefore at "BAA". U/A received no bids on March 18 for these bonds. Increasing the allowable percentage of student fees available for redemption and coverage to 35% will provide coverage of 150% of maximum debt service and will cause a rate change to "A". U/A's bond counsel have stated that bonds with this rating will be readily sold in time to award construction contracts this year (April 24).

IV.

V. DATE: March 21/75 PREPARED BY: R. Stolten

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

University of Alaska Student Union Revenue Bonds.

Existing Legislation
(provides 25% of student fees)

<u>Projected Revenue</u>		<u>Expenditure</u>
FY 76	\$490.0	\$480.0 - interim finance
FY 77	\$562.0	\$480.0 - interim finance
FY 78*	\$659.8	\$580.0 - interim finance and reserve (\$100,000)
FY 79	\$770.1	\$580.0 - interim finance and reserve (\$100,000)

*Coverage shortfall - \$94,200 for FY 78 only @ 125% of debt service.

Proposed Legislation
(Provides 35% of student fees)

<u>Projected Revenue</u>		<u>Expenditure</u>	
FY 76	\$686.0	\$480.0	as above
FY 77	\$787.8	\$480.0	"
FY 78*	\$933.7	\$580.0	"
FY 79	\$1078.7	\$580.0	"

*Coverage adequate @ 150% of debt service.

NOTE: The coverage is not encumbered or otherwise lost to U/A's general fund except in that fiscal year, but merely provides bond holders with a greater assurance of protection in case of a dramatic drop in enrollment.