

COMMITTEE REPORT

5724/73

SENATE

Mr. President:

Date _____

The Committee on FINANCE has had COMB-443 social appropriation to the office of the governor 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:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Members NOT concurring in the Majority report:

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

_____ Chairman

HOUSE JOURNAL

HOUSE FINANCE COMMITTEE REPORT FOR FINANCE COMMITTEE SUBSTITUTE FOR HOUSE BILL 441

COMMITTEE SUBSTITUTE FOR HOUSE BILL 441 (FINANCE) provides for a special appropriation in the amount of \$2,300,000 to the Office of the Governor to implement an option for the State to purchase AMU.

It is the intent of this legislation that the Governor shall upon passage of CSKB 441 execute on behalf of the State a binding option to purchase containing the following provisions:

1. A one year option to purchase the AMU campus with the right to extend the option for one year for additional consideration;
2. Conveyance in fee simple to the State of Alaska upon exercise of the option of at least 267.5 acres of real property comprising the AMU campus together with all improvements on this real property;
3. A purchase price to be determined under the option by independent fair market appraisals which take into consideration all restrictions on usage of the real property including but not limited to restrictions in applicable patents and the Amended Memorandum of Understanding of March 11, 1972, between the University of Alaska and AMU;
4. Credit for the full amount paid by the State for the option or extension of the option, and any indebtedness or obligation of AMU assumed by the State;
5. Revenue from tuition grants in excess of \$1600 per full time student per year paid during the option period shall be credited against the purchase price;
6. The establishment of a trust for all proceeds from the purchase price of the property, excepting those funds required for immediate planning and management, and exclusive of credits to be administered by the Board of Trustees of AMU, the income of such trust to be used to support and advance education in the State of Alaska;
7. For purposes of administering the trust, the AMU board shall be composed of a majority of Alaska residents selected to accomplish broad state representation and selected without regard to race, religion, national origin, or sex;
8. Continued development by AMU of innovative and viable educational programs for Alaska and cooperation with the Office of the Governor, the Post-Secondary Education Commission, the Legislative Interim Committee on Higher Education, and the University of Alaska, to develop viable proposals for the best future educational use of the AMU campus.

HOUSE JOURNAL

9. If the option is not exercised and AMU is sold to a third party within two years of the expiration of the option, AMU agrees to reimburse the State for any option monies paid;
10. Cooperation by AMU with the Office of the Governor, the Post-Secondary Education Commission, the Legislative Interim Committee on Higher Education, and the University of Alaska, to develop the specific guidelines and purposes of the trust to be administered by the AMU Board of Trustees for the support and advancement of education in the State of Alaska.

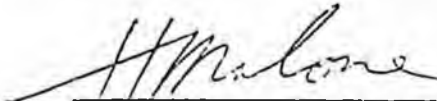
The principal reason for taking the option approach as opposed to an outright purchase this year of AMU by the University of Alaska aside from initial cash savings to the State, is to allow the State and AMU the maximum flexibility in developing viable and alternative educational programs.

During the interim and before midpoint into the Second Session of the Ninth Legislature, it is intended that the Office of the Governor, Post-Secondary Education Commission, the Legislative Interim Committee on Higher Education, the University of Alaska and AMU, will have developed various proposals for the best educational use of the AMU campus in light of all programs and new directions taken by AMU during this period.

During the same time, all the above entities will have hopefully developed specific education proposals to be funded from trust income if the option is exercised, which proposals may or may not involve support of educational activities centered around the AMU campus.

The Ninth Legislature will be receiving reports during the Second Session on the progress in developing all the alternatives, and the Governor should be developing a bond package for the purchase of AMU.

Respectfully submitted,


Hugh Malone, Chairman

Original sponsor: Rules Committee by
request of the Interim Committee on
Higher Education

Offered: 5/23/75
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 441

3 NINTH LEGISLATURE - FIRST SESSION

4 A BILL

5 For an Act entitled: "An Act making a special appropriation to the office
6 of the governor; and providing for an effective date."

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

8 * Section 1. The sum of \$2,300,000 is appropriated from the general fund
9 to the office of the governor to implement an option agreement for the
10 purchase by the State of Alaska from the Board of Trustees of Alaska
11 Methodist University of real property, improvements, furniture and fixtures
12 comprising the campus of Alaska Methodist University in Anchorage.

13 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
14 070(c).

Introduced: 4/17/75
Referred: Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE INTERIM
COMMITTEE ON HIGHER EDUCATION

IN THE HOUSE

HOUSE BILL NO. 441

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act making a special appropriation to the
University of Alaska; and providing for an effective
date."

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

* Section 1. The sum of \$1,000,000 is appropriated from the general fund to the University of Alaska as the first installment of the down payment to implement the Memorandum of Agreement between the Board of Regents of the University of Alaska and the Board of Trustees of Alaska Methodist University, March 27, 1975, for the conveyance by the Board of Trustees of Alaska Methodist University of real property, improvements, furniture and fixtures comprising the campus of Alaska Methodist University in Anchorage to the Board of Regents of the University of Alaska.

* Sec. 2. The sum of \$700,000 is appropriated from the general fund to the University of Alaska as the second installment of the down payment to implement the Memorandum of Agreement between the Board of Regents of the University of Alaska and the Board of Trustees of Alaska Methodist University, March 27, 1975, for the conveyance by the Board of Trustees of Alaska Methodist University of the campus of Alaska Methodist University in Anchorage to the Board of Regents of the University of Alaska.

* Sec. 3. Sec. 1 of this Act takes effect immediately in accordance with AS 01.10.070(c). Sec. 2 of this Act takes effect July 1, 1975.