

COMMITTEE REPORT
HOUSE

(11)

FURTHER:

3/27/85

Date: 4-23-86

The Committee on FINANCE has had HB 241

"An Act relating to fiscal procedures of the University of Alaska; and providing for an effective date."

under consideration and recommends:

do pass do not pass

do pass with attached amendments(s)

replace with CS for HB 241 (FIN) same title new title
and recommends do pass

AND attaches a "Letter of Intent" New Fiscal Note
 reports it back without recommendation Zero Fiscal Note Attached

referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

AA Alberts
JR [Signature]
~~_____~~
JD [Signature]
RL [Signature]
PP [Signature]
SR [Signature]
JB [Signature]

MS [Signature]
RU [Signature]
SC [Signature] 10 p.m.

Alberts
CHAIRMAN

**STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE**

4/18/86

Revision Date: _____

REQUEST

Bill/Resolution No.: CSHB-241 (Finance)
 Title: An Act relating to fiscal procedures of the University of Alaska; effective date.
 Sponsor: Rules/Governor
 Requestor: House Finance
 Date of Request: 4/17/86

FISCAL DETAIL

Agency Affected: University of Alaska
 BRU: _____

 Components: _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		0				
TRAVEL		0				
CONTRACTUAL		0				
SUPPLIES		0				
EQUIPMENT		0				
LAND & STRUCTURES		0				
GRANTS, CLAIMS		0				
MISCELLANEOUS		0				
TOTAL OPERATING		0	0	0	0	0

CAPITAL		0	0	0	0	0
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REVENUE		0	0	0	0	0
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FUNDING : (Thousands of Dollars)

GENERAL FUND		0				
FEDERAL FUNDS		0				
OTHER		0				
TOTAL		0	0	0	0	0

POSITIONS :

FULL-TIME		0				
PART-TIME		0				
TEMPORARY		0				

ANALYSIS : Attach a separate page if necessary

Section 6 of the bill establishes a Risk Management Collateral Fund in the general fund, which may be capitalized by the legislature at some time in the future. Other sections have no cost to the state.

Prepared by: Brian Rogers Phone: 474-7593
 Division: University of Alaska Date: 4/18/86

Approved by Commissioner: Brian Rogers for Sherman Carter Date: 4/18/86
 Agency: University of Alaska

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

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).
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A M E N D M E N T

Offered in the HOUSE

By the Finance Committee

TO: CSHB 241 (Finance)

Page 2, line 19, delete "." and insert:

"except that funds may not be invested in a corporation or other business firm that does business in or with (1) the Republic of South Africa until the Board of Regents determines that oppression of its black citizens by the Republic of South Africa has ended, or (2) the Union of Soviet Socialist Republics until the Board of Regents determines that oppression of its residents by the Union of Soviet Socialist Republics has ended."

Offered: 3/27/85
Referred: Finance

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE JUDICIARY COMMITTEE
2 CS FOR HOUSE BILL NO. 241 (Judiciary)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - FIRST 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:

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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.

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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, except
20 that funds may not be invested in a corporation or other business firm
21 that does business in or with (1) the Republic of South Africa until
22 the Board of Regents determines that oppression of its black citizens
23 by the Republic of South Africa has ended, or (2) the Union of Soviet
24 Socialist Republics until the Board of Regents determines that op-
25 pression of its residents by the Union of Soviet Socialist Republics
26 has ended. If interest income earned on investments made under this
27 section exceeds appropriations derived from that source, the excess
28 may be expended only in accordance with the procedures set out in
29 AS 37.07.080(h).

1 * Sec. 5. AS 14.40.296(a) is amended to read:

2 (a) There is established in the treasury of the University of
3 Alaska the University of Alaska working capital reserve fund. The
4 fund consists of money appropriated by the legislature. If the legis-
5 lature has made a general appropriation of federal or other program
6 receipts that exceeds the amounts appropriated specifically, the
7 university may deposit interest income earned from investments
8 authorized by AS 14.40.255 in the fund in accordance with the proce-
9 dures set out in AS 37.07.080(h). The working capital reserve fund is
10 established for the purpose of providing nonlapsing current working
11 capital for the University of Alaska and is not available for appro-
12 priation by the Board of Regents.

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2 * Sec. 8. AS 37.25.010 is amended by adding a new subsection to read:

3 (c) The unexpended balance of an appropriation of university
4 receipts existing on June 30 of a year is automatically reappropriated
5 for the fiscal year beginning on the succeeding July 1 if the unex-
6 pended balance is reported to the Department of Administration and the
7 legislative budget and audit committee by September 30 of the succeed-
8 ing fiscal year. In this subsection, "university receipts" has the
9 meaning given in AS 14.40.490.

10 * Sec. 9. This Act takes effect immediately in accordance with AS 01.-
11 10.070(c).

Introduced: 2/12/86
Referred: Health, Education and
and Social Services
and Finance

1 IN THE SENATE

BY FAHRENKAMP

2

SENATE BILL NO. 399

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

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19 ments as a result of

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23 sity of Alaska;

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29 ies of losses previously charged to the fund, and restoration of funds

1 utilized for specified claims. The amount of the fund may not exceed
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4 Alaska funds be deposited into the risk management collateral fund
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Introduced: 2/27/85
Referred: Health, Education &
Social Services, Judiciary
and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 241

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

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10 the purpose of providing nonlapsing current working capital for the
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24 for the fiscal year beginning on the succeeding July 1 if the unex-
25 pended balance is reported to the Department of Administration by
26 September 30 of the succeeding fiscal year. As used in this subsec-
27 tion, "university receipts" means the same as in AS 14.40.490.

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