

HJR

71

COMMITTEE REPORT

JUDICIARY

(9)

Date referred: 4/1/86

FURTHER REFERRALS: FINANCE

DATE: April 15, 1986

The RESOURCES Committee has considered HJR 71

Proposing amendments to the Constitution of the State of Alaska creating the Alaska research development endowment."

and recommends:

- do pass
- do not pass
- do pass with attached amendment(s)
- no recommendation
- replace with _____ same title
- _____ new title

and recommends _____

further referral to the _____ Committee

- and attaches:
- letter of intent
 - first fiscal note *Supp 117*
 - new fiscal note
 - zero fiscal note

SIGNING DO PASS:

Shultz *Dick Shultz*

Jenkins *James J. Jenkins*

Pearce *John Pearce*

Sund *John Sund*

Miller(NP) *M.W. Miller*

SIGNING OTHER RECOMMENDATIONS:

Adelheid Herrmann No Rec

Bette Herrmann No Rec

David W. Thompson NO REC

Dick Shultz
Co-Chairman Shultz

Introduced: 4/2/86
Referred: Resources, Judiciary
and Finance

1 IN THE HOUSE BY THE FINANCE COMMITTEE
2 HOUSE JOINT RESOLUTION NO. HJR 71
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 Proposing amendments to the Constitution
6 of the State of Alaska creating the
7 Alaska research development endowment.

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

9 * Section 1. Article IX, sec. 7, Constitution of the State of Alaska,
10 is amended to read:

11 SECTION 7. DEDICATED FUNDS. The proceeds of any state tax or
12 license shall not be dedicated to any special purpose, except as
13 provided in section 15 and section 17 of this article or when required
14 by the federal government for state participation in federal programs.
15 This provision shall not prohibit the continuance of any dedication
16 for special purposes existing upon the date of ratification of this
17 section by the people of Alaska.

18 * Sec. 2. Article IX, Constitution of the State of Alaska, is amended
19 by adding a new section to read:

20 SECTION 17. ALASKA RESEARCH DEVELOPMENT ENDOWMENT. At least
21 one-third of all royalties and royalty sale proceeds from North Slope
22 natural gas received by the state shall be deposited in the Alaska
23 research development endowment. All income from investment of the
24 endowment shall be deposited in the Alaska research development endow-
25 ment. Appropriations may not be made from the Alaska research devel-
26 opment endowment except for the conduct of research as provided by
27 law.

28 * Sec. 3. The amendments proposed by this resolution shall be placed
29 before the voters of the state at the next general election in conformity

1 with art. XIII, sec. 1, Constitution of the State of Alaska, and the elec-
2 tion laws of the state.

Alaska State Legislature

STEVE FRANK

DISTRICT 20A
Finance Committee

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House of Representatives

MEMORANDUM

TO: House Resource Committee Members
FROM: Representative Steve Frank
DATE: April 15, 1986
RE: Alaska Research Development Endowment
HCR 71 & HB 705

HCR 11, approved by the legislature last year, set the stage for the introduction of HCR 71 and HB 705 creating the Alaska Research Development Endowment (ARDE).

Under HCR71, ARDE is designed to be a vehicle to determine and fund the necessary research to meet the challenge of Alaska's future. The idea is to constitutionally dedicate to research a small percentage of our total resource revenues, specifically our natural gas resources north of the Brooks Range, most of which are not currently being developed.

The Alaska Research Development Corporation, which would be created by the passage of HB705, would identify those projects which could unlock the knowledge necessary for the development of the state's natural resources, preserve the heritage and culture of Alaska's people and conduct research necessary to protect the health and welfare of the people of our state.

The scope of ARDE's efforts would be directed toward the entire state, not just the Arctic region, as the Federal Arctic Science and Policy Act is. ARDE would dovetail the Federal Act as well as compliment research currently being done through the University of Alaska's Organized Research. As envisioned, ARDE could be a significant future funding source for the University's research projects related specifically to Alaska.

The Corporation's Board of Directors would be composed of eleven members, four each from the business community and academic community, and three with professional recognition in government, in addition to the Governor and the president of the University of Alaska as ex officio members. The board would employ a limited staff to aid in grant determination and administration. The Corporation would be subject to the Executive Budget Act providing the Legislature with an annual review, much in the same way we review the budget of the Alaska Permanent Fund Corporation.

Offered: 3/13/85
Referred: Rules

Original sponsors: Boucher, Ringstad,
Gruenberg, et al

1 IN THE HOUSE
2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 11 (HESS)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - FIRST SESSION
5 Relating to the University of Alaska
6 Foundation.
7 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:
8 WHEREAS art. VII, secs. 4 and 5 and art. VIII, secs. 1 and 2 of the
9 Constitution of the State of Alaska call for the promotion and protection
10 of public health, providing for the public welfare, the settlement of lands
11 and the development of resources, and the utilization, development, and
12 conservation of all state natural resources; and
13 WHEREAS although the Arctic Science and Policy Act of 1984 is commend-
14 able and its passage long overdue, the Act focuses on federal interests and
15 priorities solely and it is directed only at part of the state; and
16 WHEREAS the economic viability of the state, the well-being of its
17 inhabitants, and the promise of a reasonable future for coming generations
18 depends upon the support of applied and fundamental research directed at
19 specific Alaskan problems; and
20 WHEREAS these physical, biological, medical, and social problems are
21 only partially, or not at all, addressed by conventional sources of support
22 resulting in significant gaps in both scientific and technical research
23 endeavors;
24 BE IT RESOLVED that the Alaska State Legislature commends and supports
25 the University of Alaska Foundation in its endeavors to forecast research
26 needs and to find and fill the gaps in the current research effort, and be
27 it
28 FURTHER RESOLVED that the Alaska State Legislature encourages the
29 University of Alaska Foundation to seek support for long-term and stable

1 funding for this research.

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

Revision Date : _____

REQUEST

Bill/Resolution No. : HJR 71
 Title: Proposing amendments to the Constitution of the State of Alaska creating the Alaska Research Development Endowment.
 Sponsor: House Finance
 Requestor: House Finance
 Date of Request: 4/9/86

FISCAL DETAIL

Agency Affected: Alaska Research Development Endowment
 BRU: Development Endowment
 Components : _____

Endowment.

EXPENDITURES/REVENUES : (Thousands of Dollars)

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

CAPITAL						
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REVENUE		(800.0)	(800.0)	(800.0)	(800.0)	(800.0)
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FUNDING : (Thousands of Dollars)

GENERAL FUND		800.0	800.0	800.0	800.0	800.0
FEDERAL FUNDS						
OTHER						
TOTAL		800.0	800.0	800.0	800.0	800.0

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary This bill dedicates 1/3 of all state royalties and royalty sale proceeds from North Slope natural gas to the Alaska Research Development Endowment. Currently, approximately \$2.4 million is received by the state from those sources. Consequently, \$800.0 would be dedicated. (2.4 million ÷ 3 = \$800.0)

Prepared by: Representative Steve Frank Phone: 465-3706
 Division: Resources Committee Chairman Date: 4/9/86

Approved by Commissioner: *Dick Shultz* Date: 4/16/86
 Agency: _____

Distribution (by Agency preparing fiscal note):

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