

HJR

2

# STATE OF ALASKA THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

LEGISLATIVE AFFAIRS AGENCY  
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May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

H. JUD.	4-27-87	1:30p.m.
H. JUD.	4-23-87	1:30p.m.

# Alaska State Legislature

POUCH V  
JUNEAU, ALASKA 99311  
(907) 465-4931

DISTRICT 10  
BOX 111038  
ANCHORAGE, ALASKA 99511  
(907) 345-2122



CHAIRMAN  
Special Committee on  
Telecommunications

MEMBER  
Labor and Commerce  
State Affairs  
Finance—Subcommittee Administration

Representative H. A. "Red" Boucher

## MEMORANDUM

February 16, 1987

TO: Representative Koponen, Co-Chairman  
Representative Ellis, Co-Chairman  
Health, Education and Social Services Committee

FROM: Representative Boucher

SUBJECT: Background on House Joint Resolution 2

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This resolution provides the amendments to the Constitution of the State of Alaska necessary to create a university fund.

Section 1 of the resolution amends the Dedicated Funds provision, Article IX, Section 7, Constitution of the State of Alaska. That section currently prohibits the proceeds of any state tax or license to be dedicated to any special purpose except as provided in Section 15, the Alaska Permanent Fund. Section 1 of HJR 2 would also exempt the proposed University Fund (Section 17, discussed below) from the restriction of the Dedicated Funds provision.

Section 2 of the resolution amends Article IX of the Constitution of the State of Alaska to create the University Fund through the addition of a new Section 17. This section provides that at least 5% of all mineral revenues received by the state shall be placed in a university fund. The principal of that fund is to be used only for income-producing investments specifically designated by law. All income from the university fund shall be transferred to the Board of Regents of the University of Alaska to be used for the state university.

Section 3 of the resolution provides that the Constitutional amendments it proposes shall be placed before the voters at the next general election.

IN THE HOUSE

BY THE HEALTH, EDUCATION, AND  
SOCIAL SERVICES COMMITTEE

CS HOUSE JOINT RESOLUTION NO. 2 (HESS)

IN THE LEGISLATURE OF THE STATE OF ALASKA

FIFTEENTH LEGISLATURE - FIRST SESSION

Proposing amendments to the  
Constitution of the State of  
Alaska creating a university  
fund.

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

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

SECTION 7. DEDICATED FUNDS. The proceeds of any  
state tax or license shall not be dedicated to any special  
purpose, except as provided in section 5 and section 17 of  
this article or when required by the federal government  
for state participation in federal programs. This  
provision shall not prohibit the continuance of any  
dedication for special purposes existing upon the date of  
ratification of this section by the people of Alaska.

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

SECTION 17. UNIVERSITY FUND. At least five percent  
of all mineral lease rentals, royalties, royalty sale  
proceeds, federal mineral revenue sharing payments and  
bonuses received by the state after January 1, 1989 shall  
be placed in a university endowment trust fund, the

principal of which shall be invested under the standards of professional prudence exercised by an institutional investor at competitive national or international market rates. All income from the university fund shall be transferred to the board of regents of the University of Alaska to be used for the state university. The income may be expended without appropriation.

\* Sec. 3. The amendments proposed by this resolution shall be placed before the voters of the state at the next general election in conformity with art. XIII, sec. 1, Constitution of the State of Alaska, and the election laws of the state.

# Japan building 26 new high-tech 'Silicon Valleys'

By OTTO SILHA

Scripps Howard News Service

Japan's Technopolis Concept — an ambitious plan to build a series of high-tech cities — may galvanize U.S. urban growth and development much as the 1957 Soviet Sputnik launch spurred the U.S. space program.

The project was launched in 1980 under the guidance of the Ministry of International Trade and Industry. The objective is to build 26 new "Silicon Valleys" spread throughout the Japanese islands. MITI has selected 18 sites and is said to be reviewing eight more.

These new cities, many of them under construction, are designed as the engines for Japan's economic growth in the 21st century. Each will contain university science centers, research parks, joint research and development consortiums, venture capital foundations, and office complexes concentrated in one area to form a critical mass.

In addition to innovative housing, the cities will offer shopping malls, schools, recreational areas and life-long learning centers. They are located in scenic areas, unlike Japan's present major cities.

A leading U.S. student of the Technopolis Concept is Sheridan Tatsuno, senior analyst at Dataquest, a high-tech market-research company in California's Silicon Valley. After visiting 18 of the "Technopolises," he reported his findings in a recently published book, "The Technopolis Strategy: Japan, High Technology and the Control of the 21st Century."

Tatsuno sets the background for this aggressive new strategy. After World War II, Japan diligently sought advanced technology to catch up with the West. Copying — not reinventing the wheel — was perceived as the route to the future.

MITI provided national leadership in importing foreign technology, with companies investing in new plants and equipment and developing low-cost manufacturing processes. The national objective — high-quality products — was met.

Recent years, however, have brought new challenges. The strong yen value has affected the domestic economy, and companies from South Korea, Taiwan, Singapore, Malaysia and, more recently, China are competing successfully in the international markets with even lower-cost products.

A 1980 MITI paper, "Visions for the 1980's," urged Japan's industry to pursue more creative research. More than 30 national research and development projects focused

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**‘ These new cities are designed as the engines for Japan's economic growth in the 21st century. Each will contain university science centers, research parks, joint research and development consortiums, and office complexes. ’**

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on such leading-edge technologies as fifth-generation computers, biotechnology, lasers, ceramics and bioelectronics. More than 2,000 researchers — in the Tsukuba Science City, 35 miles northeast of Tokyo, and six regional testing laboratories — coordinated the project.

To understand the government commitment to put Japan in first place in science, industry, business and finance in the 1990s and beyond, one must realize that MITI is not the only agency pressing ahead in the 1980s. The Science and Technology Agency and the Ministry of Posts and Telecommunications have pursued their own joint-research venture. One of the more ambitious projects involves automated language translation phone systems and artificial intelligence.

Needless to say, Japanese companies are rushing to take advantage of the results of these projects. Since 1984, leading electronic makers have spent \$2.5 billion to build more than 80 research laboratories to design and operate the new products for domestic and world markets.

U.S. business leaders have been concerned for many years about the Japanese government's heavy subsidy of research and even marketing subsidies of competitive products. This kind of stimulation has helped to produce 11 major automobile manufacturers compared to only four in the United States. But the Technopolis Concept seems likely to result in an even more aggressive competitive threat to the West.

Tatsuno reports that MITI has studied every science city and high-tech region around the world in preparing for Technopolis.

STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE

CS HJR 2 (HESS)/

Bill Version: CS HB 42 (HESS)

Publish Date: \_\_\_\_\_

REQUEST: \_\_\_\_\_

Revision Date: \_\_\_\_\_

Title: University Fund

Agency Affected: Department of Revenue

BRU: Treasury

Sponsor: House HESS

Requestor: House HESS

Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
<b>OPERATING</b>						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	22.8	61.1	119.1	198.1
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
<b>TOTAL OPERATING</b>	-	-	22.8	61.1	119.1	198.1
<b>CAPITAL</b>	-	-	-	-	-	-
<b>REVENUE</b>	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	22.8	61.1	119.1	198.1
<b>TOTAL</b>	-	-	22.8	61.1	119.1	198.1

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

**ANALYSIS:** Attach a separate page for analysis.

Prepared By: Milt Barker MB

Division: Treasury

Phone: 465-2350

Date: February 23 1987

Approved by Commissioner: \_\_\_\_\_

Agency: Department of Revenue

Date: \_\_\_\_\_

Distribution (by preparer):

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

STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE

Bill Version: CS HB 42 (HESS)  
Publish Date: \_\_\_\_\_

REQUEST: \_\_\_\_\_

Revision Date: \_\_\_\_\_  
Title: University Fund

Agency Affected: Department of Revenue  
BRU: Treasury

Sponsor: House HESS  
Requestor: House HESS

Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
<b>OPERATING</b>						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	22.8	61.1	119.1	198.1
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
<b>TOTAL OPERATING</b>	-	-	22.8	61.1	119.1	198.1
<b>CAPITAL</b>	-	-	-	-	-	-
<b>REVENUE</b>	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	22.8	61.1	119.1	198.1
<b>TOTAL</b>	-	-	22.8	61.1	119.1	198.1

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page for analysis.

Prepared By: Milt Barker MB  
Division: Treasury

Phone: 465-2350  
Date: February 23, 1987

Approved by Commissioner: \_\_\_\_\_  
Agency: Department of Revenue

Date: \_\_\_\_\_

Distribution (by preparer):

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

STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE

Bill Version: CS HJR 2 (HESS)

Publish Date: \_\_\_\_\_

REQUEST: \_\_\_\_\_

Revision Date: \_\_\_\_\_

Title: University Fund

Agency Affected: Department of Revenue

BRU: Treasury

Sponsor: House HESS

Requestor: House HESS

Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
<b>OPERATING</b>						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	22.	61.1	119.1	198.1
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
<b>TOTAL OPERATING</b>	-	-	22.8	61.1	119.1	198.1
<b>CAPITAL</b>	-	-	-	-	-	-
<b>REVENUE</b>	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	22.8	61.1	119.1	198.1
<b>TOTAL</b>	-	-	22.8	61.1	119.1	198.1

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page for analysis.

Prepared By: Milt Barker MB

Division: Treasury

Phone: 465-2350

Date: February 23, 1987

Approved by Commissioner: \_\_\_\_\_

Agency: Department of Revenue

Date: \_\_\_\_\_

Distribution (by preparer):

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

University Fund  
(\$ 000)

<u>Fiscal Year</u>	<u>Principal Balance</u>	<u>Securities Safekeeping Fees</u>	<u>Common Stock Management Fees</u>	<u>Performance Measurement Fees</u>	<u>Total Fees</u>
1989	15,800.0	.8	10.0	12.0	22.8
1990	48,900.0	2.6	46.5	12.0	61.1
1991	81,100.0	4.3	102.8	12.0	119.1
1992	113,600.0	6.0	180.1	12.0	198.1

Notes:

1. From 2-13-87 HB 42/HJJ: 2 Fiscal Note prepared by Robert Elliott, Department of Revenue
2. Column 1 x 5.25¢/\$1,000, per contract
3. Column 1 x .317%, per contract, x 20%, 30%, 40%, and 50% allocation to stocks for FY 89-92, respectively
4. Per contract
5. Columns 2 + 3 + 4

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: HJR 2  
PUBLISH DATE: 1/19/87

FISCAL NOTE

REQUEST:

Revision Date: 1/22/88  
Title: Constitutional Amendment creating a university fund.  
Sponsor: BOUCHER  
Requestor: House Judiciary

Agency Affected: Office of the Governor  
BRU: Division of Elections  
Components: II - Primary & General Elections

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	0	2.2*	0	0	0	0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	2.2*	0	0	0	0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	2.2*	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

\* Costs included cover 2 to 3 additional pages in each Official Election Pamphlet, for printing and typesetting, and costs estimated to cover computer programming requirements for vote (cont.)

Prepared by: Linda Edgeworth Phone: 465-4611  
Division: Elections Date: 1/22/88

Approved by Commissioner: [Signature] Date: 2/1/88  
Agency: Office of the Governor, Division of Elections

Distribution (by preparer): 2/1/88  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. HJR 2

counting purposes. However, these costs are based on the assumption that all candidates and issues will fit on three ballot cards, which is the norm. It should be noted, however that should the inclusion of this issue require a 4th ballot to be printed, the cost increase would have to be calculated at 16 cents per ballot x approximately 320,000 voters. The total cost of printing the additional ballot card would be \$51.2.

Under these circumstances the fiscal note would be:

53.4

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: HJR 12  
PUBLISH DATE: 1/30/87

FISCAL NOTE

REQUEST:

Revision Date: 1/22/88  
 Title: Constitutional Amendment relating to the use and expenditure of state money.  
 Sponsor: RIEGER  
 Requestor: House Judiciary  
 Agency Affected: Office of the Governor  
 BRU: Division of Elections  
 Components: II - Primary & General Elections

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	0	2.2*	0	0	0	0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	2.2*	0	0	0	0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	2.2*	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

\* Costs included cover 2 to 3 additional pages in each Official Election Pamphlet, for printing and typesetting, and costs estimated to cover computer programming requirements for vote (cont.)

Prepared by: Linda Edgeworth Phone: 465-4611  
 Division: Elections Date: 1/22/88

Approved by Commissioner: [Signature] Date: 2/1/88  
 Agency: Office of the Governor, Division of Elections

Distribution (by preparer): 2/1/88  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. HJR 12

counting purposes. However, these costs are based on the assumption that all candidates and issues will fit on three ballot cards, which is the norm. It should be noted, however that should the inclusion of this issue require a 4th ballot to be printed, the cost increase would have to be calculated at 16 cents per ballot x approximately 320,000 voters. The total cost of printing the additional ballot card would be \$51.2.

Under these circumstances the fiscal note would be:

53.4

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: HJR 1  
PUBLISH DATE: 1/19/87

FISCAL NOTE

REQUEST:

Revision Date: 1/29/88  
Title: Constitutional Amendment relating to income from permanent fund.  
Sponsor: ELLIS  
Requestor: House Judiciary Committee

Agency Affected: Office of the Governor  
BRU: Division of Elections  
Components: II - Primary & General Elections

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	0	2.2*	0	0	0	0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	2.2*	0	0	0	0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	2.2*	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

\* Costs included cover 2 to 3 additional pages in each Official Election Pamphlet, for printing and typesetting, and costs estimated to cover computer programming requirements for vote (cont.)

Prepared by: Linda Edgeworth  
Division: Elections

Phone: 465-4611  
Date: 1/22/88

Approved by Commissioner: [Signature]  
Agency: Office of the Governor, Division of Elections

Date: 2/1/88

Distribution (by preparer): 2/1/88  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. HJR #1

counting purposes. However, these costs are based on the assumption that all candidates and issues will fit on three ballot cards, which is the norm. It should be noted, however that should the inclusion of this issue require a 4th ballot to be printed, the cost increase would have to be calculated at 16 cents per ballot x approximately 320,000 voters. The total cost of printing the additional ballot card would be \$51.2.

Under these circumstances the fiscal note would be:

53.4

# HOUSE COMMITTEE REPORT

Date referred: 1/19/87

FURTHER REFERRALS: Judiciary  
Finance

DATE: February 20, 1987

The Health, Education and Social Services Committee has considered HJR 2

Proposing amendments to the Constitution of the State of Alaska creating a university fund.

**RECOMMENDS:**

- replace with \_\_\_\_\_  the same title
- attached amendment(s)  a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

**ADOPTS:**  \_\_\_\_\_ letter of intent

**ATTACHES NEW FISCAL NOTE(S):**

- fiscal impact  same as previous fiscal note published \_\_\_\_\_
- zero fiscal note  same as previous zero fiscal note published \_\_\_\_\_
- zero with analysis

**SIGNING DO PASS:**

\_\_\_\_\_  
*Alice Hanley*  
 \_\_\_\_\_  
*Wills Koyama*  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**SIGNING OTHER RECOMMENDATIONS:**

\_\_\_\_\_  
*Robt. P. ... No Rec.*  
 \_\_\_\_\_  
*Bill ... No Rec.*  
 \_\_\_\_\_  
*John Ellis No Rec.*  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_\_  
*Wills Koyama*  
 \_\_\_\_\_  
 Co-Chairman's signature  
*John Ellis*

STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE

REQUEST \_\_\_\_\_

Bill Version: HB 42/HJR 2

Publish Date: \_\_\_\_\_

Revision Date: \_\_\_\_\_

Agency Affected: Revenue

Title: Creating the University Fund

BRU: \_\_\_\_\_

Sponsor: Boucher

Components: \_\_\_\_\_

Requestor: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Millions of Dollars)

GENERAL FUND	-	-	(16.3)	(34.1)	(33.2)	(33.5)
UNIV. FUND PRIN. BALANCE	-	-	15.8	48.9	81.1	113.6
UNIV. FUND INCOME	-	-	.5	1.9	3.9	5.8
TOTAL	-	-	-	-	-	-

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page if necessary

See attached.

Prepared By: Robert Elliott *RE*  
Division: Research/Revenue

Phone: 465-2173  
Date: 2/13/87

Approved by Commissioner: *H. Mulla*  
Agency: \_\_\_\_\_

Date: 2/17/87

Distribution (by Agency preparing fiscal note):

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

Continuation of Fiscal Note Analysis

For Bill/Resolution No. HB 42/HJR 2

Analysis:

Figures are based on estimated mineral revenues for January 1987 Revenue Sources, and assume a six percent nominal interest rate and voter approval of the Constitutional Amendment. University Fund Income represents amount transferred to the Board of Regents at the end of each fiscal year. The above decrease in General Fund revenues includes not only the loss of mineral revenues but the subsequent decrease in General Fund investment earnings. Estimated revenues from proposed bonus sales were not included since bids are impossible to anticipate prior to sales.

STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE

CS HJR 2 (HESS)/  
Bill Version: CS HB 42 (HESS)  
Publish Date: \_\_\_\_\_

REQUEST: \_\_\_\_\_

Revision Date: \_\_\_\_\_  
Title: University Fund

Agency Affected: Department of Revenue  
BRU: Treasury

Sponsor: House HESS  
Requestor: House HESS

Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	22.8	61.1	119.1	198.1
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	22.8	61.1	119.1	198.1
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	22.8	61.1	119.1	198.1
TOTAL	-	-	22.8	61.1	119.1	198.1

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page for analysis.

Prepared By: Milt Barker MB  
Division: Treasury

Phone: 465-2350  
Date: February 23, 1987

Approved by Commissioner: \_\_\_\_\_  
Agency: Department of Revenue

Date: \_\_\_\_\_

Distribution (by preparer):  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)  
Senate Secretary

STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE

Bill Version: CS HB 42 (HESS)  
Publish Date: \_\_\_\_\_

REQUEST: \_\_\_\_\_

Revision Date: \_\_\_\_\_  
Title: University Fund

Agency Affected: Department of Revenue  
BRU: Treasury

Sponsor: House HESS  
Requestor: House HESS

Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	22.8	61.1	119.1	198.1
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	22.8	61.1	119.1	198.1
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	22.8	61.1	119.1	198.1
TOTAL	-	-	22.8	61.1	119.1	198.1

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page for analysis.

Prepared By: Milt Barker MB  
Division: Treasury

Phone: 465-2350  
Date: February 23, 1987

Approved by Commissioner: \_\_\_\_\_  
Agency: Department of Revenue

Date: \_\_\_\_\_

Distribution (by preparer):

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

STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE

Bill Version: CS HJR 2 (HESS)  
Publish Date: \_\_\_\_\_

REQUEST: \_\_\_\_\_

Revision Date: \_\_\_\_\_  
Title: University Fund

Agency Affected: Department of Revenue  
BRU: Treasury

Sponsor: House HESS  
Requestor: House HESS

Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
<b>OPERATING</b>						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	22.8	61.1	119.1	198.1
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
<b>TOTAL OPERATING</b>	-	-	22.8	61.1	119.1	198.1
<b>CAPITAL</b>	-	-	-	-	-	-
<b>REVENUE</b>	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	22.8	61.1	119.1	198.1
<b>TOTAL</b>	-	-	22.8	61.1	119.1	198.1

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page for analysis.

Prepared By: Milt Barker MB  
Division: Treasury

Phone: 465-2350  
Date: February 23, 1987

Approved by Commissioner: \_\_\_\_\_  
Agency: Department of Revenue

Date: \_\_\_\_\_

Distribution (by preparer):

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

University Fund  
(\$ 000)

<u>Fiscal Year</u>	<u>Principal Balance</u>	<u>Securities Safekeeping Fees</u>	<u>Common Stock Management Fees</u>	<u>Performance Measurement Fees</u>	<u>Total Fees</u>
1989	15,800.0	.8	10.0	12.0	22.8
1990	48,900.0	2.6	46.5	12.0	61.1
1991	81,100.0	4.3	102.8	12.0	119.1
1992	113,600.0	6.0	180.1	12.0	198.1

Notes:

1. From 2-13-87 HB 42/HJR 2 Fiscal Note prepared by Robert Elliott, Department of Revenue
2. Column 1 x 5.25¢/\$1,000, per contract
3. Column 1 x .317%, per contract, x 20%, 30%, 40%, and 50% allocation to stocks for FY 89-92, respectively
4. Per contract
5. Columns 2 + 3 + 4

STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE

Bill Version: HB 42/HJR 2  
Publish Date: \_\_\_\_\_

REQUEST \_\_\_\_\_

Revision Date: \_\_\_\_\_  
Title: University Fund

Agency Affected: Permanent Fund Corp.  
BRU: \_\_\_\_\_

Sponsor: Rep. Boucher  
Requestor: \_\_\_\_\_

Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
<b>OPERATING</b>						
PERSONAL SERVICES		241.2	255.7	271.0	287.3	304.5
TRAVEL		31.0	32.9	34.8	36.9	39.1
CONTRACTUAL		192.8	204.4	216.6	229.6	243.4
SUPPLIES		3.2	3.4	3.6	3.8	4.0
EQUIPMENT	-	17.2	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
<b>TOTAL OPERATING</b>	-	485.4	496.4	526.0	557.6	591.0
<b>CAPITAL</b>	-	-	-	-	-	-
<b>REVENUE</b>	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	-

POSITIONS:

FULL-TIME	-	5	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page if necessary

\* According to constitutional provision Article 9, Section 15 funds cannot be comingled with Permanent Fund Assets.

Prepared By: Royce Weller **FOR P.F.C.** Phone: 465-2300  
Division: Revenue/Commissioner's Office Date: 2/18/87

Approved by Commissioner: Hugh Malone **HM** Date: 2/18/87  
Agency: Department of Revenue

Distribution (by Agency preparing fiscal note):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)  
 Senate Secretary

NOTE: THIS FISCAL NOTE IS BASED ON INFORMATION SUPPLIED BY THE PERMANENT FUND CORPORATION. **HM**  
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