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SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 4/30/87 5-DAY NOTICE
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER:

*Need
of FN*

**FISCAL NOTE(S) ATTACHED **
IN ACCORDANCE WITH AS 24.08.035
(see below)

DATE TURNED INTO OFFICE _____

Mr. President:

FINANCE Committee considered SB 220
appropriation to the University of Alaska for operation of the Alaska Center
for International Business; making a special appropriation to the University
of Alaska for payment as a grant to the University of Alaska Foundation
for operation of the Alaska Center for International Business; efd.

and recommended:

- replace with CS _____ same title
- attached amendment(s) and new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to _____
- letter of intent adopted and attached

** Committee attached or adopted fiscal note(s)
 zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

6/05
 ~~Committee~~ Backup Attached

Chairman signature and recommendation

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: FINANCE

FISCAL NOTE(S) ATTACHED
IN ACCORDANCE WITH AS 24.08.035
(see below)

3/27/87
Mr. President:

DATE TURNED INTO OFFICE _____

LABOR & COMMERCE

Committee considered SB 220

appropriation to the University of Alaska for operation of the Alaska Center for International Business; making a special appropriation to the University of Alaska for payment as a grant to the University of Alaska Foundation for operation of the Alaska Center for International Business; efd.

and recommended:

- replace with CS _____ same title
- attached amendment(s) and new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to _____
- letter of intent adopted and attached

waived
waived

** Committee attached or adopted fiscal note(s)
 zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Da's
 ~~Committee~~ Backup Attached

Chairman signature and recommendation

Introduced: 3/27/87
Referred: Labor & Commerce
& Finance

w0142sb

Funding Information

General Fund \$5,400,000
Other Funds -0-
\$5,400,000

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 220

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making an appropriation to the University of
7 Alaska for operation of the Alaska Center for
8 International Business; making a special
9 appropriation to the University of Alaska for payment
10 as a grant to the University of Alaska Foundation for
11 operation of the Alaska Center for International
12 Business; and providing for an effective date."

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

14 * Section 1. The sum of \$400,000 is appropriated from the general fund
15 to the University of Alaska for operation of the Alaska Center for Interna-
16 tional Business for fiscal year 1988.

17 * Sec. 2. (a) The sum of \$5,000,000 is appropriated from the general
18 fund to the University of Alaska for payment as a grant to the University
19 of Alaska Foundation for operations of the Alaska Center for International
20 Business for fiscal years after fiscal year 1988.

21 (b) It is the intent of the legislature that the grant made by (a) of
22 this section to the University of Alaska Foundation, and all income from
23 the grant, be used to fund operations of the Alaska Center for
24 International Business.

25 * Sec. 3. This Act takes effect July 1, 1987.
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S

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 25, 1987

The Honorable Jan Faiks
President of the Senate
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Senator Faiks:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting two bills, one a substantive measure and the other an appropriation bill, to create and to fund, respectively, the Alaska Center for International Business.

The University of Alaska's existing Center for International Business is an off-shoot of the university's School of Business. The attached substantive bill establishes the center in statute. Under the bill, the center is designed primarily as a research institute to identify and develop better means of promoting trade by Alaska with foreign markets, primarily Pacific Rim nations. See the legislative findings in sec. 1 of the substantive bill.

At my request, Dr. John Choon K. Kim, director of the existing center, has prepared an initial organization and implementation plan for the center. Attached, for your reference, is a copy of this plan, which outlines in greater detail the programs and plans for the center. The substantive bill requires the center to submit annual reports to the legislature, and repeals the statute that provides for establishing the center. The repeal takes effect in 10 years so that the legislature can at that time review the center's value and future desirability. Section 3 of the bill.

Section 1 of the second measure, an appropriation bill, appropriates \$400,000 to the university for operation of the center in FY 88. Section 2 of that bill appropriates \$5,000,000 from the general fund to the University of Alaska for payment as a grant to the University of Alaska Foundation. The foundation is a private, nonprofit corporation, organized under Alaska law by private individuals. It generally handles endowments and other financial gifts to the university.

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It is my hope that the center use the income from the \$5,000,000 for operations in future years, negating the need for further appropriations from the general fund. The substantive measure also provides that the center may charge fees for services it provides to those other than the state, and although these program receipts must, by law, be deposited in the general fund, I will urge future legislatures to appropriate these receipts to the center in order to guarantee sufficient funding to sustain its operations.

The Alaska Center for International Business represents one component of the state's efforts to promote economic development and international trade. The center's programs will be coordinated with those of the Department of Commerce and Economic Development (DCED) and the Office of International Trade. I am also proposing, through the budget process, to rejuvenate the economic development advocates program in DCED; to increase funding in conjunction with the affected industries for both the Alaska Seafood Marketing Institute and the division of tourism in DCED; and to enhance the programs of the Office of International Trade (Alaska Foreign Offices), as well as moving it to the Governor's Office to heighten its visibility in the international business community. We are also planning to extend the technical assistance provided by the Small Business Development Centers through the field offices of the Department of Community and Regional Affairs (DCRA), in order to reach nascent entrepreneurs throughout Alaska. In addition, Commissioner Smith, DCED, is working closely with the legislature to assure passage of SB 64, which would allow the Alaska Industrial Development Authority to offer export financing. And, finally, I will shortly be offering a proposal to initiate a pilot program of applied scientific research, which will be designed to meet the basic information needs of Alaska industries and to leverage funds available from the federal government and private sources.

The efforts of all of these entities, as well as of any other state agencies that have an interest in a particular international trade project, or unique expertise, will be integrated into a trade promotion program designated as "Trade Alaska." We are working with many Alaskans who share an interest in trade in order to devise goals and specific activities that will best meet the needs of the private sector as well as our public policy objective of broadening the state's economic base.

It should be understood that government in isolation from society can't create wealth. Creating wealth is a matter of

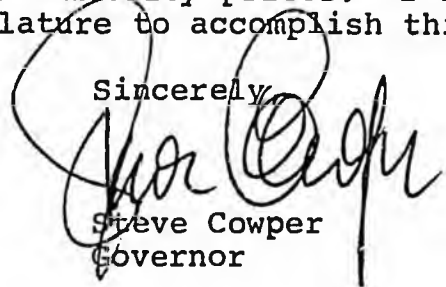
Hon. Jan Faiks

Page 3

private initiative. What government can do is make information available about opportunities, help solve technical problems through basic and applied research, identify barriers that impede our opportunities for trade and development, educate our people in order to give them the skills to compete in the international marketplace, and generally promote a social climate that is attractive to business.

I believe that the Alaska Center for International Business, as well as the other initiatives I have outlined, will help us achieve our goal of economic prosperity independent of the fluctuations of world commodity prices. I look forward to working with the legislature to accomplish this goal.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Cowper", written over the typed name.

Steve Cowper
Governor

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

214
228
BILL SHEFFIELD, GOVERNOR

P.O. BOX K—STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

March 24, 1987

M E M O R A N D U M

TO: Honorable Steve Cowper
Governor

FROM: *Arthur J. Peterson*
for Grace Berg Schaible
Attorney General

RE: Attached bills to create and fund the
Alaska Center for International Business
Our file: 773-87-0142

Attached are two bills relating to the Alaska Center for International Business -- one bill creates the center, the other is an appropriation bill to fund it. They were requested by John Halterman, in conjunction with the Department of Commerce and Economic Development, on March 10, 1987. The bills were discussed at a meeting between you and representatives of the Department of Law and the Office of Management and Budget on March 13, 1987.

Both bills are prepared for introduction in both houses, as requested by John.

The first bill, the substantive one, statutorily requires the University of Alaska to establish the Center for International Business (which, we understand, the university has already informally done). The center will be under the direction of a seven-member advisory board selected by the Board of Regents after consultation with you. The primary purpose of the center is to conduct research on "market" information and "market" strategies relating to trade by Alaska businesses with foreign nations, principally those of the Pacific Rim. As you requested, we have provided for sunseting the center in 10 years.

The second bill, the appropriation measure, appropriates \$400,000 to the university for operation of the center in FY 88. The bill also appropriates \$5,000,000 to the university for payment as a grant to the University of Alaska Foundation. Income earned on this \$5,000,000 will be used in future years to operate the center.

Although your intent, as expressed in your state-of-the-state address, had been to require the center to "return" or

"repay" the \$5,000,000 at the end of 10 years, using only the interest in the meantime, such an approach raises several significant legal and constitutional issues. We believe that the attached bills accomplish your purpose while avoiding those issues.

When my staff and others met with you March 13, the possibility of appropriating the \$5,000,000 to the university trust fund, created under AS 14.40.400(a), instead of the foundation, was discussed. After that, my staff discussed this option with Brian Rogers, of the university's fiscal office, who stated that, considering the history of the fund, the accepted purpose of the trust fund was to fund agricultural activities only, and that the legislature would probably look with disfavor on using trust money for the center. We therefore decided to use the foundation instead.

A draft transmittal letter to the legislature, explaining the bill in more detail, is also attached.

GBS:JWB:11b:nb

cc w/enc.: Hon. Tony Smith, Commissioner
Dept. of Commerce & Economic Development

Jay Hogan, Director
Division of Budget Review
Office of Management & Budget
Governor's Office

John Halterman, Director
Division of Audit & Management Services
Office of Management & Budget
Governor's Office

ALASKA STATE LEGISLATURE

. . 15th . . Legislature **. 1st . .** Session

SENATE **BYLL** NO. **220**

By **THE RULES COMMITTEE BY**
REQUEST OF THE GOVERNOR

"An Act making an appropriation to the University of Alaska for operation of the Alaska Center for International Business; making a special appropriation to the University of Alaska for payment as a grant to the University of Alaska Foundation for operation of the Alaska Center for International Business; and providing for an effective date."

Introduced in the Senate **3/27**, 19 **87**

HISTORY IN THE SENATE

19 87	Read first time and referred to Committee on										
3 27	Labor & Commerce & Finance										
3 30	<i>Reported back with recommendation that</i>										
	Read second time and										
	Read third time and										
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	Reported correctly engrossed Signed by President Sent to House										

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19	Read first time and referred to Committee on										
	Reported back with recommendation that										
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	Reported correctly engrossed Signed by Speaker Returned to Senate										

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19	Received from House
	To enrolling
	Reported correctly enrolled
	Sent to Governor
 by Governor
	Chapter No.
	Filed with Lt. Governor

Resolution of the Membership
of
The Alaska Korea Business Council, Inc.

WHEREAS, international trade is a major portion of Alaska's economy and one of Alaska's greatest hopes for the future; and

WHEREAS, Alaska's ability to compete overseas will be aided by increasing the quality and accessibility of information to proposed exporters; and

WHEREAS, education of individuals of all ages on the opportunities, ways, and means of international trade will further increase Alaska's competitive position; and

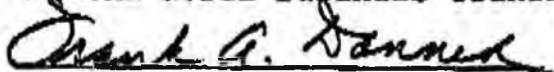
WHEREAS, there is now pending in the Alaska Legislature a plan to expand the Alaska Center for International Business to combine the resources of the State of Alaska, the University of Alaska system, the U. S. Department of Commerce, and Alaska Pacific University; and

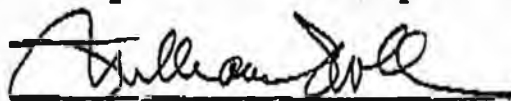
WHEREAS, the Alaska Center for International Business as proposed would bring under one roof diverse attempts to further Alaska's international trading position through education and communication;


NOW THEREFORE BE IT RESOLVED by the membership of the Alaska Korea Business Council in its annual meeting, 1987, that strengthening the Alaska Center for International Business is worthy of the legislature's support as an essential initiative by the State of Alaska during our troubled economic time.

AND THEREFORE BE IT FURTHER RESOLVED that copies of this resolution be sent to Governor Steve Cowper; members of the Alaska State Legislature; Dr. Clark Ahlberg, Chancellor of the University of Alaska; Dr. Donald O'Dowd, President of the University of Alaska; Dr. John Kim, University of Alaska; and Dr. Glenn Olds, President of Alaska Pacific University.

RESOLVED this 30th day of April, 1987 by the Membership of the Alaska Korea Business Council.


Frank Danner, Chairman


William Noll, President


Mead Treadwell, Secretary