

SUR

I

SENATE COMMITTEE REPORT

FURTHER:

3/26/87

DATE TURNED INTO OFFICE _____

Mr. President:

FINANCE _____ Committee considered SJR 1 _____

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

and recommended:

replace with _____ CS FOR _____) same title
 or adopt _____ CS FOR _____) new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted _____

Committee attached or adopted fiscal note(s)

new updated or previous
 zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Chairman signature and recommendation

Committee Backup Attached

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 3/11/87 5-DAY NOTICE
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: FINANCE

**FISCAL NOTE(S) ATTACHED 1 **
IN ACCORDANCE WITH AS 24.08.035
(see below)

1/19/86 DATE TURNED INTO OFFICE 3/26/87

Mr. President:

HESS Committee considered SJR 1

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

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

[Signature]

OTHER RECOMMENDATIONS

Paul Josephson - No Recommendation

Rick Halford No Rec.

[Signature]
Chairman signature and recommendation

Committee Backup Attached

Introduced: 1/19/87
Referred: Health, Education and
Social Services and
Finance

5-0094A

1 IN THE SENATE

BY FAIKS, UEHLING
AND KERTTULA

2 SENATE JOINT RESOLUTION NO. 1

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 Proposing amendments to the Constitution
6 of the State of Alaska creating a uni-
7 versity fund.

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. UNIVERSITY FUND. At least five percent of all
21 mineral lease rentals, royalties, royalty sale proceeds, federal
22 mineral revenue sharing payments and bonuses received by the state
23 after January 1, 1989, shall be placed in a university fund, the
24 principal of which shall be used only for those income-producing
25 investments specifically designated by law as eligible for university
26 fund investments. All income from the university fund shall be trans-
27 ferred to the board of regents of the University of Alaska to be used
28 for the state university. The income may be expended without appro-
29 priation.
S

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST: _____

Bill Version: SJR 1
Publish Date: 3-26-87

Revision Date: SJR #1
Title: Amend. to Constitution creating a university fund.

Agency Affected: Office of the Governor
BRU: Division of Elections

Sponsor: Faiks
Requestor: Faiks

Components: II

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY 87 | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 |
|------------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | | | | | | |
| TRAVEL | | | | | | |
| CONTRACTUAL | | | 2.2 | | | |
| SUPPLIES | | | | | | |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | | | | | |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | | | 2.2 | | | |

| | | | | | | |
|---------|--|--|--|--|--|--|
| CAPITAL | | | | | | |
|---------|--|--|--|--|--|--|

| | | | | | | |
|---------|--|--|--|--|--|--|
| REVENUE | | | | | | |
|---------|--|--|--|--|--|--|

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|--|--|-----|--|--|--|
| GENERAL FUND | | | 2.2 | | | |
| 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: 2-24-87

Approved by Commissioner: Carol P. Kertelie Date: 2-27-87
Agency: Office of the Governor/ Division of Elections

Distribution (by preparer) :

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

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. SJR #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

ALASKA STATE LEGISLATURE

15 Legislature .1st.... Session

SENATE JOINT RESOL. NO. 1.....

By FAIKS, UEHLING
AND KERTTULA

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

Introduced in the Senate 1/19...., 1987.

HISTORY IN THE SENATE

| | | | | | | | | | | | | |
|---------|----------------|--|------|----------------|------|------|------|------|--------|--------|---------|---------|
| 1987 | | Read first time and referred to Committee on | | | | | | | | | | |
| 1 | 19 | HESS & FINANCE | | | | | | | | | | |
| 3 | 26 | Reported back with <i>HESS</i> recommendation that <i>1 do pass.</i> <i>3 no res, fiscal note to Finance.</i> <i>F.H.</i> | | | | | | | | | | |
| | | Read second time and | | | | | | | | | | |
| | | Read third time and | | | | | | | | | | |
| | | <table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table> | PASS | Effective Date | Yeas | Yeas | Nays | Nays | Absent | Absent | Excused | Excused |
| PASS | Effective Date | | | | | | | | | | | |
| Yeas | Yeas | | | | | | | | | | | |
| Nays | Nays | | | | | | | | | | | |
| Absent | Absent | | | | | | | | | | | |
| Excused | Excused | | | | | | | | | | | |
| | | Reconsideration | | | | | | | | | | |
| | | <table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table> | PASS | Effective Date | Yeas | Yeas | Nays | Nays | Absent | Absent | Excused | Excused |
| PASS | Effective Date | | | | | | | | | | | |
| Yeas | Yeas | | | | | | | | | | | |
| Nays | Nays | | | | | | | | | | | |
| Absent | Absent | | | | | | | | | | | |
| Excused | Excused | | | | | | | | | | | |
| | | 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 | | | | | | | | | | |
| | | Read second time and | | | | | | | | | | |
| | | Read third time and | | | | | | | | | | |
| | | <table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table> | PASS | Effective Date | Yeas | Yeas | Nays | Nays | Absent | Absent | Excused | Excused |
| PASS | Effective Date | | | | | | | | | | | |
| Yeas | Yeas | | | | | | | | | | | |
| Nays | Nays | | | | | | | | | | | |
| Absent | Absent | | | | | | | | | | | |
| Excused | Excused | | | | | | | | | | | |
| | | Reconsideration | | | | | | | | | | |
| | | <table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table> | PASS | Effective Date | Yeas | Yeas | Nays | Nays | Absent | Absent | Excused | Excused |
| PASS | Effective Date | | | | | | | | | | | |
| Yeas | Yeas | | | | | | | | | | | |
| Nays | Nays | | | | | | | | | | | |
| Absent | Absent | | | | | | | | | | | |
| Excused | Excused | | | | | | | | | | | |
| | | 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 |
| | | Filed with Lt. Governor |
| | | Chapter No. |

Updated FN.

Attack to

bill when

2/0

STATE OF ALASKA
1988 LEGISLATIVE SESSION

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

FISCAL NOTE

REQUEST:

Revision Date: 1/22/88
Title: Constitutional Amendment creating a university fund.
Sponsor: FAIKS
Requestor: Senate Finance

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)

FEB 3 1988

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. SJR 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

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST: _____

Bill Version : SB 12/SJR 1

Publish Date : _____

Revision Date: _____

Agency Affected: Revenue

Title: Creating the University Fund/
Amending the Constitution

BRU: _____

Sponsor: Faiks

Components: _____

Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

| | | | | | | |
|---------|--|--|--|--|--|--|
| CAPITAL | | | | | | |
|---------|--|--|--|--|--|--|

| | | | | | | |
|---------|--|--|--|--|--|--|
| REVENUE | | | | | | |
|---------|--|--|--|--|--|--|

Millions

FUNDING: (Thousands of Dollars)

Univ. Fund Prin. Balance
Univ. Fund Income

| GENERAL FUND | FY 87 | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 |
|--------------------------|-------|-------|--------|--------|--------|--------|
| 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 | FY 87 | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 |
|-----------|-------|-------|-------|-------|-------|-------|
| PART-TIME | | | | | | |
| TEMPORARY | | | | | | |

ANALYSIS : (Attach a separate page if necessary)

See attached

Prepared by: Robert Elliott *RE* Phone: 2173

Division: Research Section Date: _____

Approved by Commissioner: H. Melal Date: 1/26/87

Agency: REVENUE COORDINATOR

Distribution (by preparer):

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

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. SB 12/SJR 1

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 (SJR 1). 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

Bill Version: SJR 1
Publish Date: _____

REQUEST: _____

Revision Date: _____
Title: University Fund

Agency Affected: Department of Revenue
BRU: Treasury

Sponsor: Senate HESS
Requestor: Senate HESS

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

| | FY 87 | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 |
|------------------------|-------|-------|-------|-------|-------|-------|
| OPERATING | | | | | | |
| PERSONAL SERVICES | - | - | - | - | - | - |
| TRAVEL | - | - | - | - | - | - |
| CONTRACTUAL | - | - | 32.8 | 71.1 | 129.1 | 208.1 |
| SUPPLIES | - | - | - | - | - | - |
| EQUIPMENT | - | - | - | - | - | - |
| LANDS & STRUCTURES | - | - | - | - | - | - |
| GRANTS, CLAIMS | - | - | - | - | - | - |
| MISCELLANEOUS | - | - | - | - | - | - |
| TOTAL OPERATING | - | - | 32.8 | 71.1 | 129.1 | 208.1 |
| CAPITAL | - | - | - | - | - | - |
| REVENUE | - | - | - | - | - | - |

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|---|---|------|------|-------|-------|
| GENERAL FUND | - | - | - | - | - | - |
| FEDERAL FUNDS | - | - | - | - | - | - |
| OTHER | - | - | 32.8 | 71.1 | 129.1 | 208.1 |
| TOTAL | - | - | 32.8 | 71.1 | 129.1 | 208.1 |

POSITIONS:

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

ANALYSIS: Attach a separate page for analysis.

Prepared By: Milt Barker *MB*
Division: Treasury

Phone: 465-2350
Date: March 26, 1987

Approved by Commissioner: *[Signature]*
Agency: Department of Revenue

Date: 3/26/87

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

RECEIVED
MAR 27 1987

LEGISLATIVE FINANCE

University Fund
(\$ 000)

| | (1) | (2) | (3) | (4) | (5) | (6) |
|--------------------|--------------------------|------------------------------------|-------------------------------------|-------------------------------------|-------------------|-------------------|
| <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>Audit Fees</u> | <u>Total Fees</u> |
| 1989 | 15,800.0 | .8 | 10.0 | 12.0 | 10.0 | 32.8 |
| 1990 | 48,900.0 | 2.6 | 46.5 | 12.0 | 10.0 | 71.1 |
| 1991 | 81,100.0 | 4.3 | 102.8 | 12.0 | 10.0 | 129.1 |
| 1992 | 113,600.0 | 6.0 | 180.1 | 12.0 | 10.0 | 208.1 |

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. Department of Revenue estimate
6. Columns 2 + 3 + 4 + 5



Official Business

Alaska State Legislature

Senate

Finance Committee

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

April 6, 1987

TO: Senator Willie Hensley

FROM: Senator John Binkley, Co-Chairman
Senator Don Bennett, Co-Chairman

RE: Subcommittee Assignment -
Senate Bill 12
Senate Joint Resolution 1

A handwritten signature in black ink, appearing to read "John Binkley", written over the "FROM" line of the memorandum.

We are assigning Senate Bill 12, "An Act relating to the university fund" and Senate Joint Resolution 1, "Proposing amendments to the state constitution creating a university fund," to you for subcommittee work. This bill and resolution were received in Finance on March 26. We would to schedule these before the Finance Committee as soon as possible so your expeditious consideration will be appreciated.

As noted in our previous memorandum on subcommittee assignments, we request that you notify the sponsor that the bill is in your subcommittee. You may request other members of the Finance Committee to participate in your consideration of the bill. Please notify all Finance Committee members of any public hearings you may schedule so they can participate if they wish.

When you are ready to report the bill back to committee, please notify Senator Binkley's office so that it can be scheduled for hearing before the full committee.

cc: Senator Jan Faiks