

HJR

13

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

POUCHY - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

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 NESS

2/1/89

HOUSE COMMITTEE REPORT

*(5)

Date Referred: 1/17/89

FURTHER REFERRALS: JUDICIARY
FINANCE

Date of Committee Action: 3/1/89

The HEALTH, EDUCATION & SOCIAL SERVICES Committee recommends that:

HOUSE JOINT RESOLUTION NO. 13

[CONST. AMENDMENT: EDUCATION ENDOWMENT]

Proposing an amendment to the Constitution of the State of Alaska, establishing a permanent endowment for education in Alaska.

[X] be replaced with CSHR 13 (HFSS) [] the same title
[X] a new title

[] have attached amendment(s)

- [] do pass
- [] do not pass
- [] no recommendation
- [X] individual recommendations
- [] additional referral to the _____ Committee

ADOPTS: House HFSS letter of intent

ATTACHES NEW FISCAL NOTE(S):

- [] fiscal impact
- [] zero fiscal note
- [] zero with analysis

APPROVES PREVIOUS:

- [] fiscal note(s) published:
- [X] zero fiscal notes(s) published:
1/17/89

SIGNING DO PASS:

J. Ellis
Walt Furnace
Cheri Davis

SIGNING OTHER THAN DO PASS:
(Do Not Pass, No Recommendation, Amend)

Mr. J. Munkberg / no rec.
Mr. [unclear] / no rec.
Peter [unclear] / no rec.

J. Ellis
 Chairman's signature

#5

HOUSE JOINT RESOLUTION NO. 13

EDUCATION ENDOWMENT

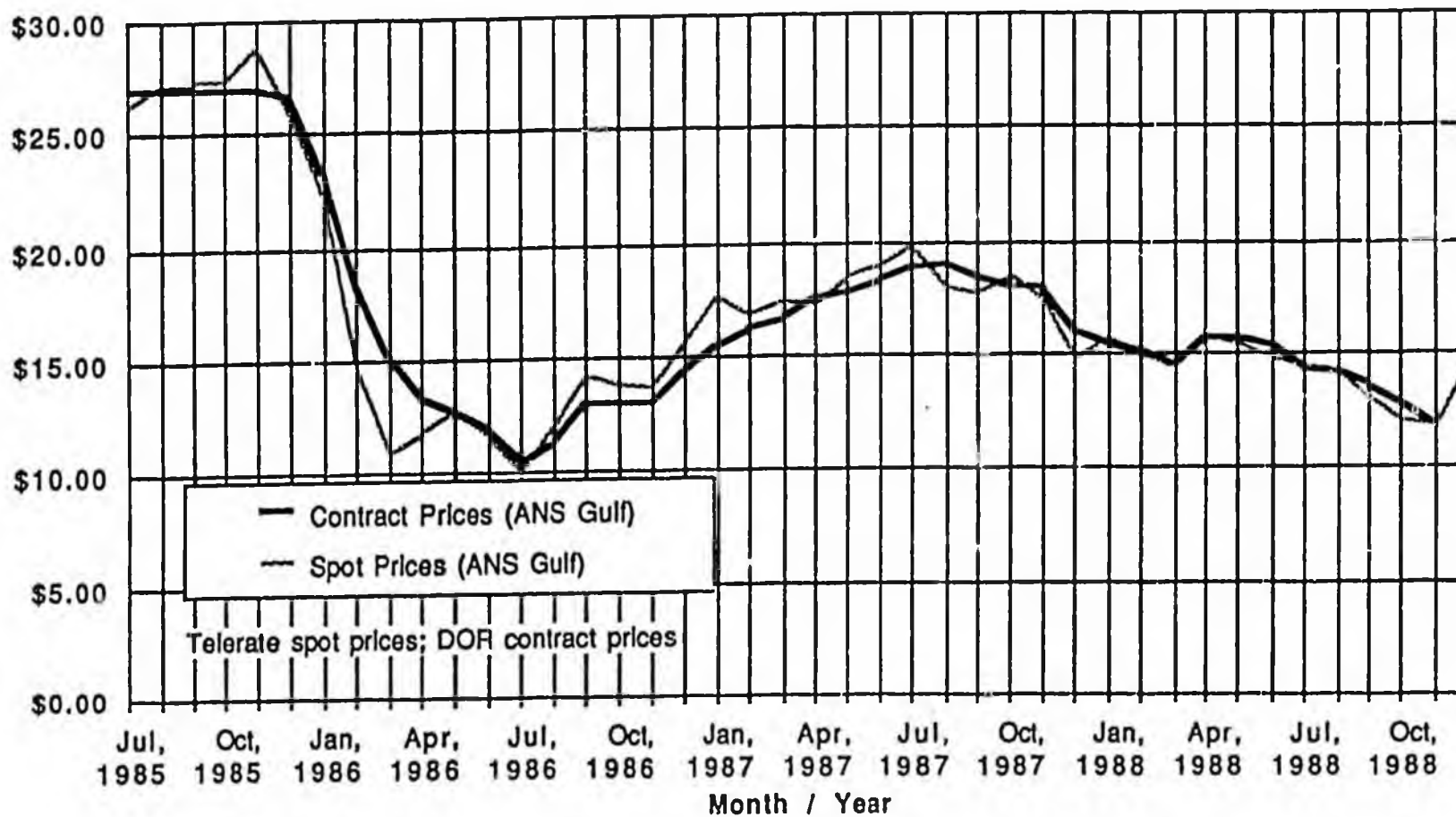
BRIEFING PACKET

Office of the Governor, Division Of Policy

February 1, 1989

ANS Gulf Spot and Contract Prices (1985-1988)

\$ / Barrel

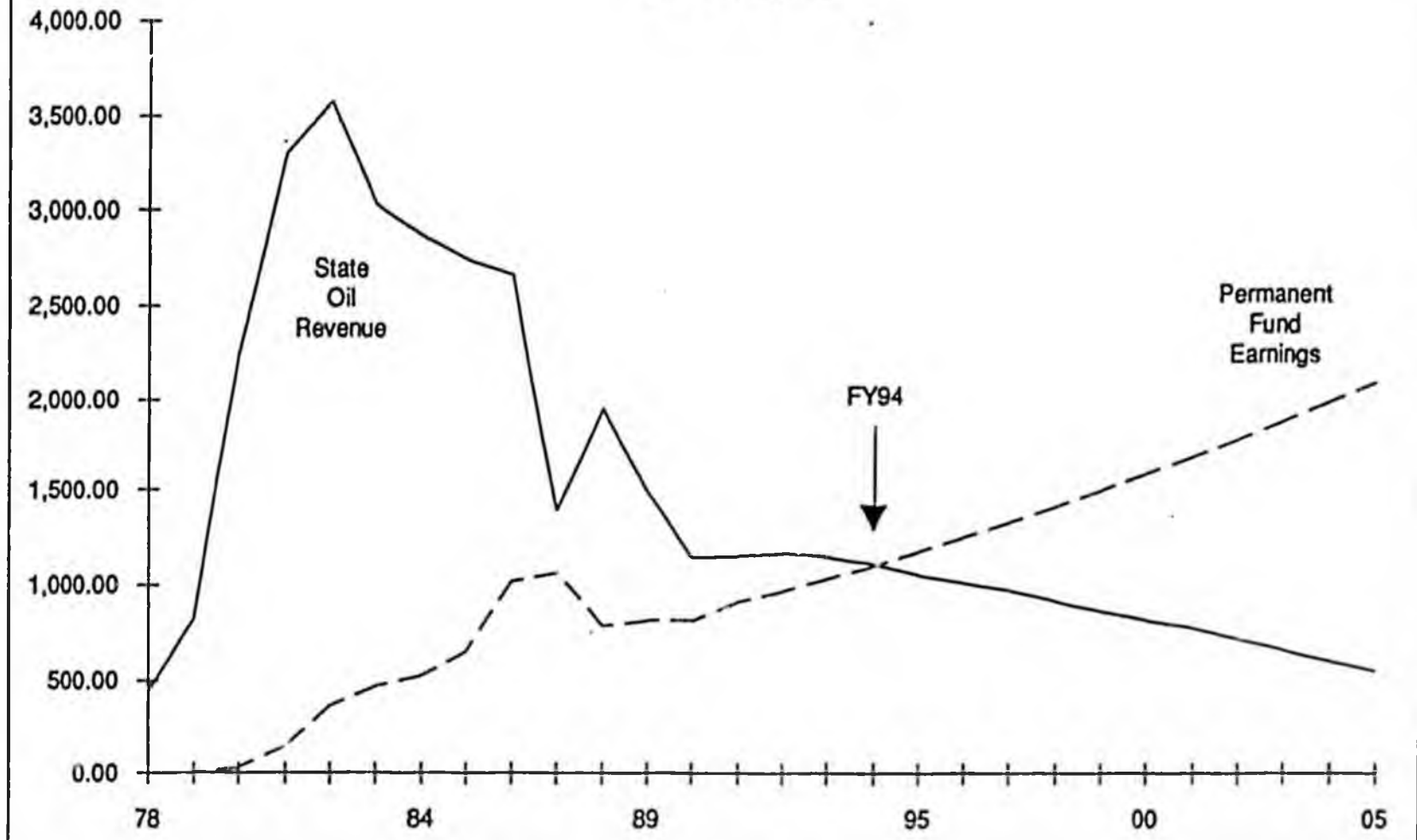


Source: Division of Policy, 1/31/89

**TOTAL STATE OIL REVENUES VERSUS
PERMANENT FUND EARNINGS
FY 1978 - FY 2005**

(Actual and Projected)

\$Millions



USE OF ONE-TIME MEASURES
TO BALANCE ALASKA'S BUDGET
(Millions of Dollars)

FY 87

10% REDUCTION OPERATING PROGRAMS	\$ 194.0
ZERO OUT BUDGET RESERVE FUND	\$ 427.4
RAILBELT ENERGY FUND SOURCE CHANGE	\$ 50.0
LOAN PROGRAM CLOSEOUTS	\$ 19.7
CAPITAL PROJECT CLEAN-UP	\$ 86.0
SETTLEMENT PAYMENTS (TAPS, ARCO, 8-G)	\$ 70.5
LEASE BONUSES	\$.5
OTHER BACK TAX PAYMENTS	\$ 5.5
TOTAL ONE-TIME MEASURES	\$ 853.60

FY 88

8-G/DINKUM SANDS PAYMENT	\$ 159.9
TAPS SETTLEMENT PAYMENT	\$ 2.1
CAPITAL PROJECT CLEAN-UP	\$ 22.3
LEASE BONUSES	\$ 5.5
OTHER BACK TAX PAYMENTS	\$ 10.9
TOTAL ONE-TIME MEASURES	\$ 200.7

FY 89

ARCO TAX SETTLEMENT	\$ 172.3
BOND FUND CLEAN-UP	\$ 4.7
LEASE BONUSES	\$ 20.7
OTHER BACK TAX PAYMENTS TO DATE	\$ 57.8
TOTAL ONE-TIME MEASURES YEAR-TO-DATE	\$ 255.5

Division of Policy 1/11/89

Foundation Program Funding Needs FY 1991 - FY 2015

FY 89
Formula
Cost: 420.9

FY	School-Age Population	Annual Population Growth	Annual Funding Amount Needed
89	109,700		
90	110,500	0.73%	445.2
91	111,600	1.00%	476.6
92	112,800	1.08%	510.6
93	114,600	1.60%	549.9
94	116,400	1.57%	592.0
95	118,500	1.80%	638.9
96	120,500	1.69%	688.6
97	121,400	0.75%	735.4
98	124,100	2.22%	796.9
99	125,600	1.21%	854.9
00	126,700	0.88%	914.1
01	128,100	1.10%	979.7
02	129,000	0.70%	1,045.7
03	130,000	0.78%	1,117.1
04	131,000	0.77%	1,193.2
05	132,200	0.92%	1,276.4
06	133,411	0.92%	1,365.4
07	134,633	0.92%	1,460.5
08	135,866	0.92%	1,562.4
09	137,111	0.92%	1,671.3
10	138,367	0.92%	1,787.8
11	139,634	0.92%	1,912.4
12	140,913	0.92%	2,045.7
13	142,204	0.92%	2,188.3
14	143,507	0.92%	2,340.9
15	144,822	0.92%	2,504.0

Foundation program funding needs represent FY 89 level adjusted for future school-age population growth and inflation.

Population data from AK Dept. of Labor, 11/8/88.

1/31/89

State Dollars for Public School Programs

(Millions of Dollars - Unrestricted General Fund)

	FY79	FY80	FY81	FY82	FY83	FY84	FY85	FY86	FY87	FY88	FY89
Foundation Program	195	216	267	345	415	430	455	474	381	410	420
Formula Programs (1)	31	36	41	45	47	52	49	45	45	39	45
TOTAL	226	252	308	390	462	482	504	519	426	449	465
Total Operating Budget	837	959	1364	1706	1898	1958	2110	2116	1844	1912	1981
Percent of Total Operating Budget	27%	26%	23%	23%	24%	25%	24%	25%	23%	23%	23%

1. Other educational formula programs include pupil transportation, tuition students, schools for the handicapped, youth in detention, boarding home grants, and community schools.

Source: Office of the Governor / Division of Policy

1/31/89

OPERATING AID TO SCHOOLS

(Millions of Dollars - Unrestricted General Fund)

	FY79	FY80	FY81	FY82	FY83	FY84	FY85	FY86	FY87	FY88	FY89
Foundation Program	195	216	267	345	415	430	455	474	381	410	420
Formula Programs (1)	31	36	41	45	47	52	49	45	45	39	45
Reimbursement for School Construction Debt	22	24	38	39	56	94	95	105	116	109	109
TOTAL	248	276	346	429	518	576	599	624	542	558	574
Total Operating Budget	837	959	1364	1706	1898	1958	2110	2116	1844	1912	1981
Percent of Total Operating Budget	30%	29%	25%	25%	27%	29%	28%	29%	29%	29%	29%

1. Other educational formula programs include pupil transportation, tuition students, schools for the handicapped, youth in detention, boarding home grants, and community schools.

Source: Office of the Governor / Division of Policy

THE EDUCATION AMENDMENT TO THE CONSTITUTION

THE PROBLEM: Lack of long-term stable funding for education.

Alaska's Constitution calls for public schools open to all children of the State. The public elementary and secondary schools are now supported by oil-based revenues. About 25% to 30% of each year's state expenditures are for public education. Within ten years, Prudhoe Bay production is estimated to drop by almost half -- that decline, coupled with fluctuating local property value and increasingly more unpredictable federal funding for education, makes the future of Alaska schools' funding very uncertain.

THE SOLUTION: A constitutional amendment establishing an education endowment in the Permanent Fund

By establishing an education endowment within the Permanent Fund, Alaskans can provide full funding from non-oil-based revenues for Alaska's schools around the year 2010. No less than forty percent of the annual income of the Permanent Fund will be deposited in the education endowment. The annual earnings of the education fund would be dedicated to public elementary and secondary education. Alaskans will vote on the Education Amendment on the 1990 general election ballot.

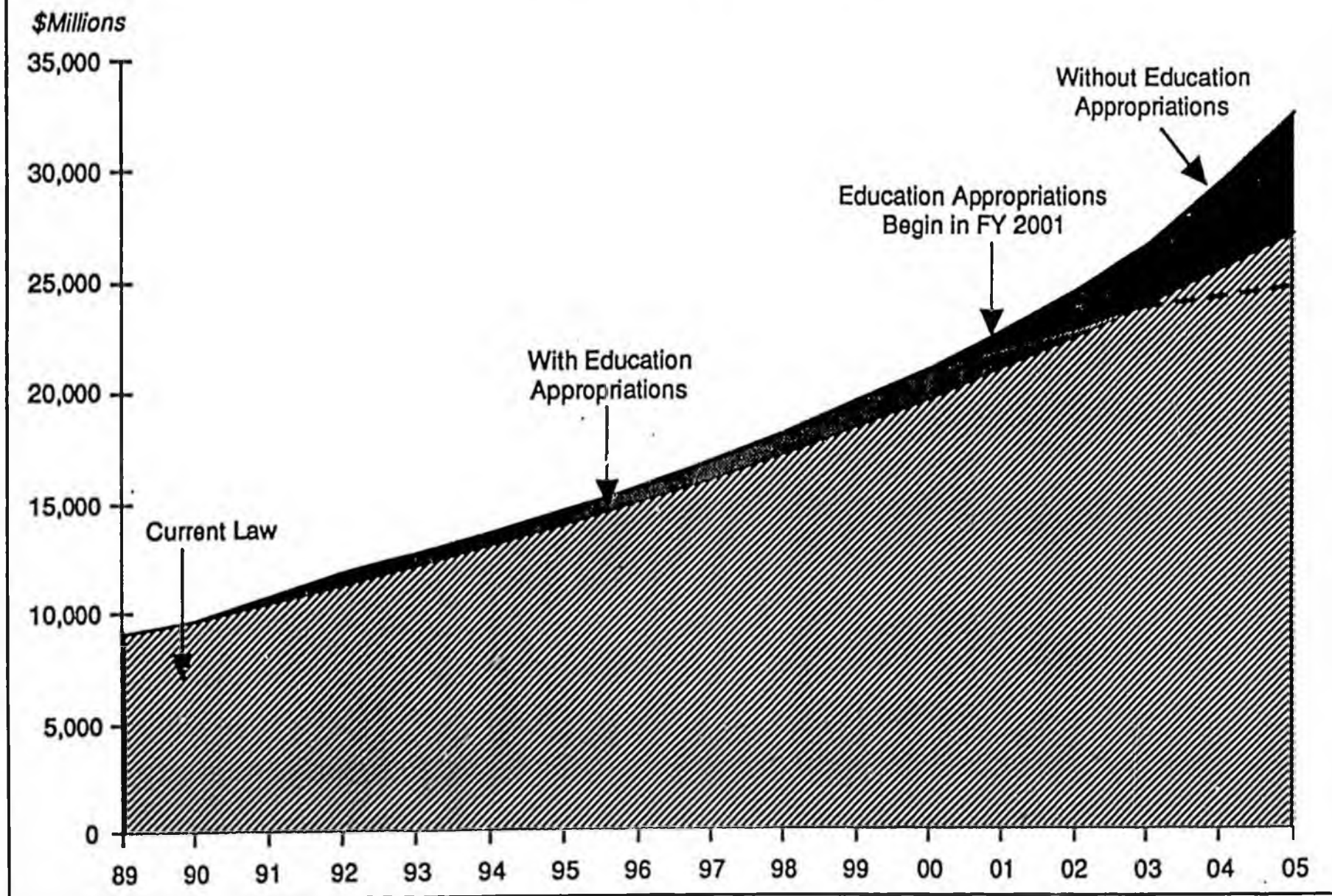
KEY CONCEPTS IN PROPOSAL:

1. Education amendment to Constitution. Placed on 1990 general election ballot for voter approval
2. Education Fund established within Permanent Fund
3. Education Fund invested with the rest of Permanent Fund
4. Education Fund income dedicated only to public elementary and secondary education
5. Education Fund income not appropriated for education goes into principal of Education Fund

6. Education Fund funded by inflation-proofing deposits to the Permanent Fund, plus special appropriations, if any. Not less than forty percent of the annual earnings of the Permanent Fund would go to the Education Fund.
7. Deposits to Education Fund constitutionally mandated through year 2010
8. Education Fund earnings not used before year 2000, but used to build the Education Fund assets so it can fully fund education programs from its income
9. Deposits can be extended after year 2010 by majority vote of legislature.
10. Earnings reserve account stays intact, and is available for use by the legislature as emergency cash reserve.
11. Dividends continue to grow, reaching over \$1,000 by FY95.

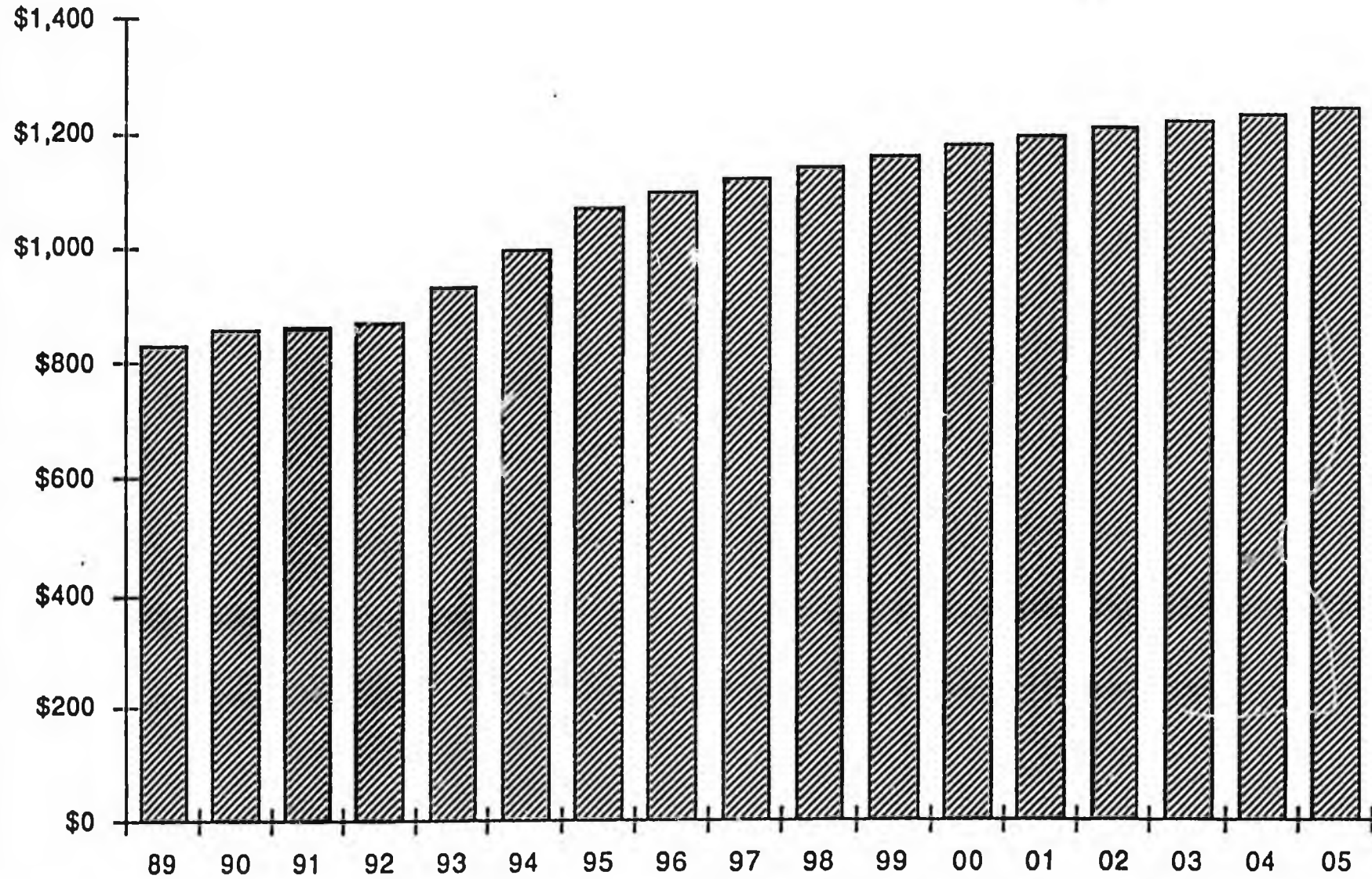
Division of Policy, February 1989

EFFECT OF EDUCATION AMENDMENT ON PERMANENT FUND BALANCE



PER CAPITA PERMANENT FUND DIVIDENDS UNDER EDUCATION AMENDMENT

(With Education Appropriations)



With Education Amendment

4% Real Rate Of Return - No Education Appropriations

Forecast: DOR, 11/88

Revenue: Mid-Case

PF Status: 12/31/88

Population: Low Case

FY	Education Fund Balance	Total Permanent Fund Balance	Education Fund Net Income	Per Capita Dividends
91	217	10,701		\$863.60
92	705	11,814	22	\$870.88
93	1,259	12,709	70	\$932.28
94	1,889	13,654	126	\$998.72
95	2,599	14,646	189	\$1,070.94
96	3,399	15,718	260	\$1,098.28
97	4,298	16,883	340	\$1,120.28
98	5,304	18,149	430	\$1,140.32
99	6,431	19,525	530	\$1,158.82
0	7,688	21,024	643	\$1,176.00
1	9,089	22,659	769	\$1,192.56
2	10,650	24,440	909	\$1,208.33
3	12,384	26,384	1,065	\$1,223.30
4	14,310	28,510	1,238	\$1,236.30
5	16,447	30,832	1,431	\$1,250.30

PFD calculation is based on non-education earnings of Permanent Fund. Full PFD amount is distributed, so long as sufficient non-education earnings (including reserves) remain for it after 40 percent distribution to education account. Income distribution priorities: retention of education earnings first, then 40% distribution, then dividends, then inflation proofing.

With Education Amendment

4% Real Rate Of Return - Education Appropriations Start In FY 2001

Forecast: DOR, 11/88

Revenue: Mid-Case

PF Status: 12/31/88

Population: Low Case

FY	Education Fund Balance	Total Permanent Fund Balance	Education Fund Net Income	Per Capita Dividends
91	217	10,701		\$863.60
92	705	11,814	22	\$870.88
93	1,259	12,709	70	\$932.28
94	1,889	13,654	126	\$998.72
95	2,599	14,646	189	\$1,070.94
96	3,399	15,718	260	\$1,098.28
97	4,298	16,883	340	\$1,120.28
98	5,304	18,149	430	\$1,140.32
99	6,431	19,525	530	\$1,158.82
0	7,688	21,024	643	\$1,176.00
1	8,321	21,890	769	\$1,192.56
2	8,966	22,758	832	\$1,207.66
3	9,625	23,631	897	\$1,221.15
4	10,296	24,506	962	\$1,231.71
5	10,978	25,383	1, 30	\$1,242.35

PFD calculation is based on non-education earnings of Permanent Fund. Full PFD amount is distributed, so long as sufficient non-education earnings (including reserves) remain for it after 40 percent distribution to education account. Income distribution priorities: retention of education earnings first, then 40% distribution, then dividends, then inflation-proofing.

-- Permanent Fund --

Current Law

4% Real Rate Of Return

Forecast: DOR, 11/88
PF Status: 12/31/88Revenue: Mid-Case
Population: Low Case

<u>FY</u>	<u>FY End Balance</u>	<u>Per Capita Dividends</u>
91	10,495	\$863.60
92	11,293	\$875.08
93	12,152	\$949.68
94	13,061	\$1,039.50
95	14,019	\$1,145.87
96	15,031	\$1,219.26
97	16,103	\$1,295.37
98	17,237	\$1,373.90
99	18,432	\$1,454.95
0	19,694	\$1,538.95
1	21,027	\$1,625.97
2	22,431	\$1,716.55
3	23,912	\$1,810.53
4	25,474	\$1,906.63
5	27,120	\$2,010.00

-- ASSUMPTIONS --

4.00% Inflation Rate FY 89
9.01% Rate of Return FY 895.00% Inflation Rate FY 90
8.00% Rate of Return FY 906.00% Inflation Rate FY 1991-2015
10.00% Rate of Return FY 1991-2015

1

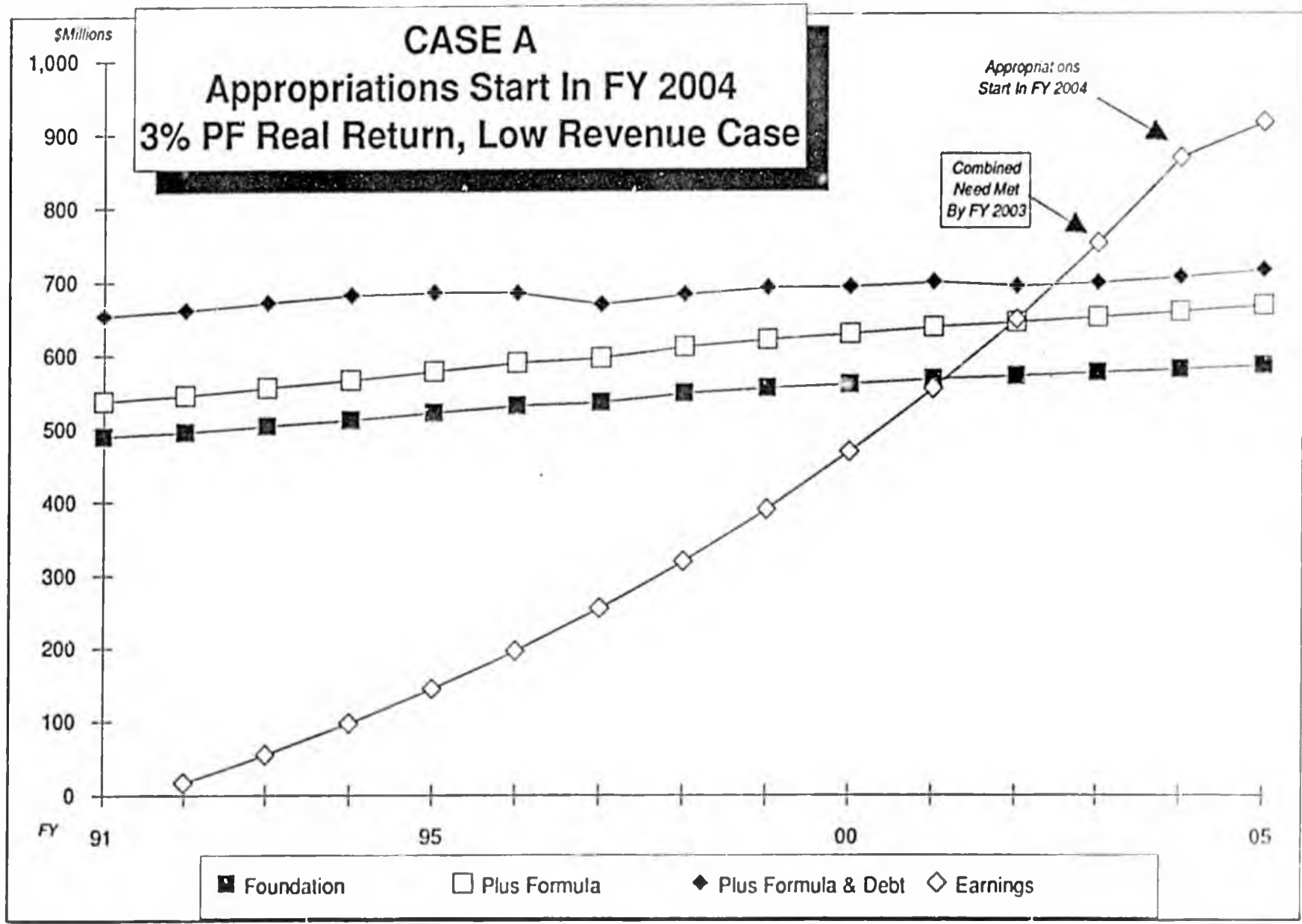
HOUSE JOINT RESOLUTION NO. 13

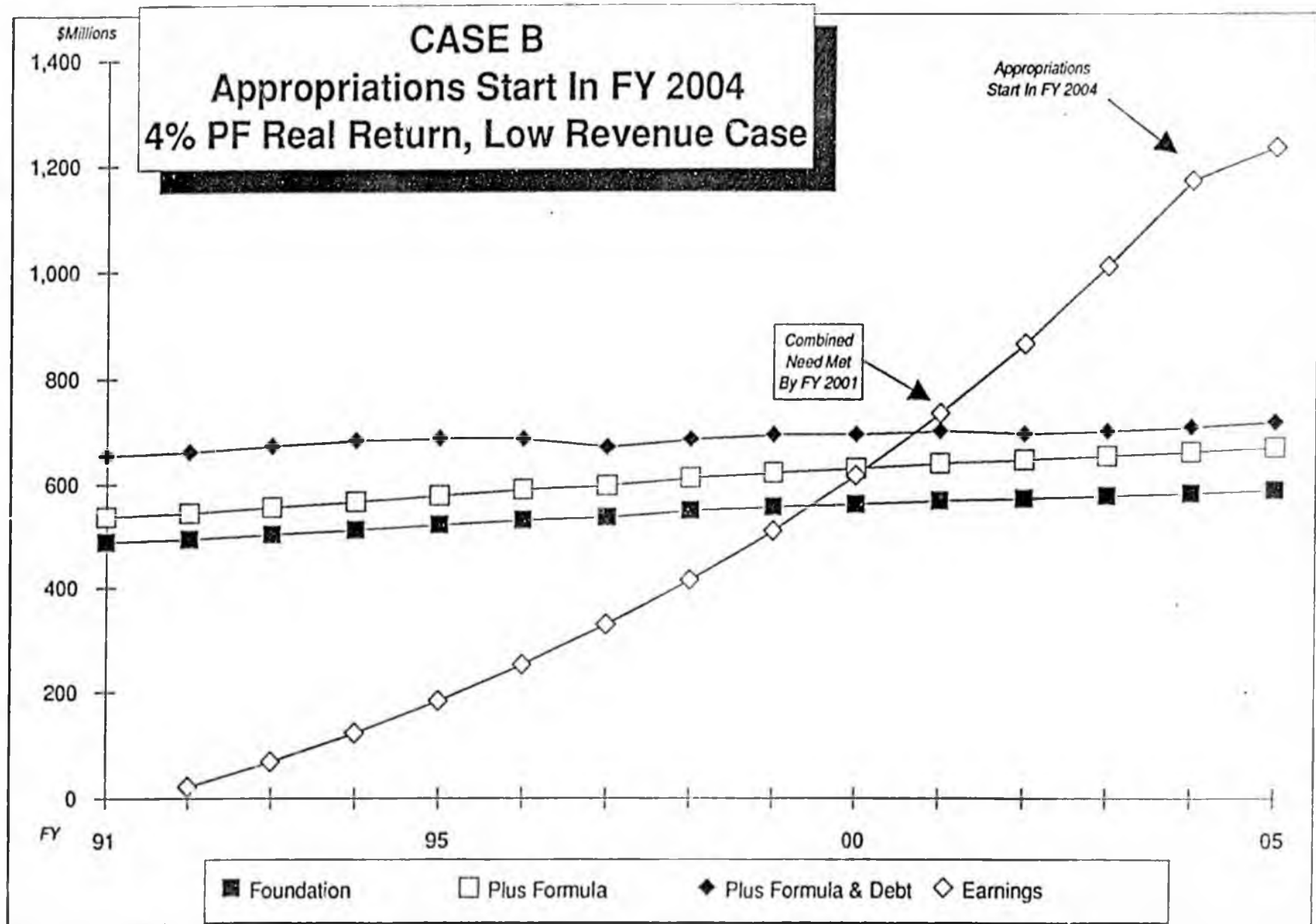
EDUCATION ENDOWMENT

BRIEFING PACKET

Office of the Governor, Division Of Policy

March 1, 1989





CASE A - 3% Real Rate Of Return

Education Appropriations Start In 2003 Session For FY 2004

Education Fund Deposits Stop After FY 2005

Low Revenue Case, Low Population Growth

Forecast: DOR, 11/88

Revenue: Low-Case

PF Status: 12/31/88

Population: Low Case

FY	Education Fund Balance	Total Permanent Fund Balance	Education Fund Net Income	Per Capita Dividends
91	191	10,471		\$837.57
92	611	11,304	17	\$816.36
93	1,079	11,979	55	\$846.18
94	1,601	12,692	97	\$878.74
95	2,180	13,442	144	\$915.39
96	2,822	14,247	196	\$927.92
97	3,534	15,114	254	\$936.62
98	4,319	16,047	318	\$944.14
99	5,186	17,055	389	\$950.54
0	6,142	18,144	467	\$956.19
1	7,194	19,324	553	\$961.29
2	8,351	20,602	647	\$965.99
3	9,623	21,989	752	\$969.95
4	10,154	22,627	866	\$972.32
5	10,690	23,265	914	\$975.20

PFD calculation is based on non-education earnings of Permanent fund. Full PFD amount is distributed, so long as sufficient non-education earnings (including reserves) remain for it after 40 percent distribution to education account. Income distribution priorities: retention of education earnings first, then 40% distribution, then dividends, then inflation-proofing

CASE B - 4% Real Rate Of Return

Education Appropriations Start In 2003 Session For FY 2004

Education Fund Deposits Stop After FY 2005

Low Revenue Case, Low Population Growth

Forecast: DOR, 11/88

Revenue: Low-Case

PF Status: 12/31/88

Population: Low Case

FY	Education Fund Balance	Total Permanent Fund Balance	Education Fund Net Income	Per Capita Dividends
91	213	10,494		\$859.17
92	691	11,508	21	\$861.73
93	1,229	12,291	69	\$916.33
94	1,836	13,116	123	\$974.48
95	2,518	13,983	184	\$1,037.66
96	3,280	14,920	252	\$1,056.13
97	4,133	15,939	328	\$1,069.08
98	5,084	17,048	413	\$1,080.07
99	6,144	18,257	508	\$1,089.51
0	7,323	19,578	614	\$1,097.80
1	8,634	21,023	732	\$1,105.31
2	10,089	22,606	863	\$1,112.53
3	11,703	24,340	1,009	\$1,119.12
4	12,322	25,072	1,170	\$1,124.06
5	12,947	25,803	1,232	\$1,129.32

PFD calculation is based on non-education earnings of Permanent Fund. Full PFD amount is distributed, so long as sufficient non-education earnings (including reserves) remain for it after 40 percent distribution to education account. Income distribution priorities: retention of education earnings first, then 40% distribution, then dividends, then inflation-proofing.

HJR 13: EDUCATION AMENDMENT

RESOLUTIONS &
LETTERS OF SUPPORT

(AS OF 2/25/89)

STEVE COWPER
GOVERNOR



Office of the Governor
P.O. Box A
Juneau, Alaska 99811

465-2165
BUDGET

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

FEB 01 1989

INTERIM COMMISSION ON CHILDREN AND YOUTH STRATEGIC PLANNING

TO: Honorable Steve Cowper
Governor

DATE: January 31, 1989

THROUGH: Caren Robinson *CR*
Special Staff Assistant
Office of the Governor

FROM: Patty Meritt
Chair
GICCY

SUBJECT: Resolution

At a regularly scheduled meeting, held on January 26-27, 1989 in Anchorage, the Commission passed a Resolution in support of HJR13, Proposing an amendment to the Constitution of the State of Alaska, establishing a permanent endowment for education in Alaska.

The Commission passed this Resolution despite its policy of not supporting individual legislative initiatives for several reasons. The Commission strongly supports excellence in education, and shares your concern regarding the effects of declining revenues on the state's educational system.

In addition, we feel that establishing a policy related to stabilized, long-term funding for education is critical, and that the proposal outlined in HJR13 is a sound strategy for achieving that stability.

The Commission applauds your efforts, and is pleased to support you in this endeavor.

PM:CT:km
enclosure

cc: Members, Commission on Children and Youth



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU
INTERIM COMMISSION ON CHILDREN AND YOUTH

RESOLUTION

- WHEREAS, children are Alaska's greatest natural resource, and
- WHEREAS, one of every three Alaskans is under the age of 18, giving Alaska the youngest population of any state in the nation, and
- WHEREAS, the right to a free education for every child has been universally recognized and in Alaska is mandated by the state constitution, and
- WHEREAS, education provides the opportunity for reaching personal fulfillment and economic self-sufficiency, and
- WHEREAS, failure to provide that opportunity penalizes not only the individual child but also society as a whole, and
- WHEREAS, volatile and unpredictable oil revenues have resulted in decreased state funding for education over the last few years, and
- WHEREAS, future state oil revenues are projected to decline with the gradual decline of Prudhoe Bay production, making general fund support of public education more difficult and uncertain, and
- WHEREAS, an education endowment from future permanent fund earnings will provide critically important long-term stable funding for public elementary and secondary schools,
- NOW THEREFORE BE IT RESOLVED that the Governor's Interim Commission on Children and Youth supports and endorses an amendment to the Constitution of the State of Alaska providing for the establishment of an education endowment.
- ADOPTED the 26th day of January, 1989 by the Governor's Interim Commission on Children and Youth.

Patty Merrill
Patty Merrill, Chair



Alaska Association For Community Education

P.O. Box 103302

Anchorage, Alaska 99510

RECEIVED
OCT 7 1988

BOARDS & COMMISSIONS

GOVERNOR'S OFFICE

Governor Steve Cowper
State of Alaska
P.O. Box A
Juneau Alaska 99811-0101

OCT 7 1988

Dear Governor Cowper:

I wanted to take a minute to Thank You for attending our Curriculum Cabinet meeting last Friday, sponsored by the Department of Education. I know your schedule is very busy and we all appreciated your making time to share your thoughts and encouragement.

As the President of the Alaska Association for Community Education, I will do anything and everything I can to promote your concept of the Educational Endowment Fund from earnings in the Permanent Fund. I believe your vision is critical to the continuance of a strong public education system in Alaska and appreciate your willingness to advance this concept to the public and hopefully help it become a reality. The Community Schools that have survived the last three years budget cuts still interact with thousands of Alaskan adults who otherwise would not be involved and using our school facilities and we are a great position to help make them aware of your concept and provide information. I believe we can provide you with an important support system - thousands of adults come into the schools because of our programs and therefore, we have an audience that otherwise might not be even entering a school building and/or might not notice your plan through mass media approaches. Since these people understand the importance of life-long learning and appreciate being able to use public facilities that otherwise might be locked up on evenings and weekends, we have access to a public supportive of education.

Please keep me informed of your plan and ask for the help of community educators throughout the State. While there are fewer of us these days, we still remain committed to the importance of an involved and informed public and will do all we can to support you. And thank you again, for your support of our efforts on the Curriculum Cabinet.

Sincerely Yours,

Kim Katz

Kim Katz, President
Alaska Association
for Community Education

ALASKA ASSOCIATION
SECONDARY SCHOOL PRINCIPALS
1720 Otter Street
Anchorage, Alaska 99504

ALASKA ASSOCIATION
ELEMENTARY SCHOOL PRINCIPALS
426 Rogers Road
Kenai, Alaska 99611

October 20, 1988

RECEIVED
NOV 21 1988

The Honorable Steve Cowper
Governor of Alaska
Office of the Governor
Third Floor, State Capitol
P. O. Box A
Juneau, AK 99811

GOVERNOR'S OFFICE

Dear Governor Cowper:

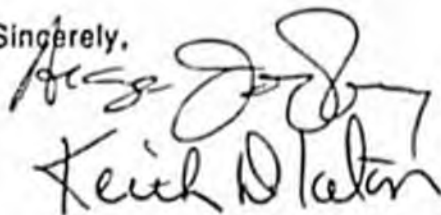
Your presentation at the 1988 Alaska Principals' Conference on October 17 was well received. We appreciate all you have done for the youth of our state and hope you will continue to put them at the forefront of your agenda.

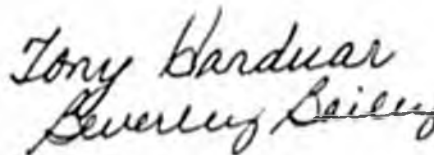
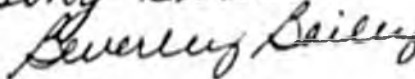
In your presentation, you asked for our support in helping to establish an endowment for education among other things. Rest assured that the principals of this state will support that issue and will continue to support your educational initiatives.

It is a pleasure to have someone of your vision heading the state government. We hope that you will continue to share your vision throughout our state.

Thanks.

Sincerely,


Keith Taton


Tony Harduar

Beverley Bailey

Tony Harduar, Co-Chair, Alaska Principals Conference Planning Committee
Keith Taton, Co-Chair, Alaska Principals Conference Planning Committee
Beverley Bailey, Co-Chair, Alaska Principals Conference Planning Committee
Arge Jeffery, Co-Chair, Alaska Principals Conference Planning Committee

SS

1.10



SETTING THE FOCUS ON LEARNING FOR LIFE



EXECUTIVE BOARD
1988-89

PRESIDENT
KANDY SWENSON
Tan River Elementary School
PO Box 120
Fairbanks, AK 99707
484-4478

PAST PRESIDENT
JIM STARRY
Tan Lake Elementary School
PO Box 77500
Eagle River, AK 99577
866-2784

VICE PRESIDENT
ARGE JEFFERY
Kaganovich Elementary School
984 West Lane
Eagle River, AK 99577
866-7311

SECRETARY
LINDA CONNELLY
Sawtooth Elementary School
P.O. Box 27
Seward, AK 99674
747-123

TREASURER
LYNN THOMPSON
Jensen Elementary School
P.O. Box 400
Seward, AK 99677
877-6771

STATE REPRESENTATIVE
DARLEEN STAFFY
Bear River Elementary School
1255 Mountain Ave Drive
Fairbanks, AK 99709
877-2627

REGION AT-LARGE
DAVID DICKERSON
Sudbala Elementary School
P.O. Box 1000
Seward, AK 99674
262-4000

REGION AT-LARGE
JERRY SCHOENBERGER
Nelson Elementary School
P.O. Box 477
Seward, AK 99674
262-1300

REGION AT-LARGE
PAUL WINKELMAN
Kaganovich Elementary School
P.O. Box 5071
Eagle River, AK 99577
866-3000

EXECUTIVE DIRECTOR
GREG DANIELS
426 Rogers Road
Eagle, AK 99541
1-800-478-1154

**RESOLUTION PASSED AT THE 1988 CONFERENCE OF THE ALASKA
ASSOCIATION OF ELEMENTARY SCHOOL PRINCIPALS**

SUBJECT: GOVERNOR'S PROPOSED EDUCATION ENDOWMENT FUND

Whereas, the proposed Endowment Fund would stabilize funding for education for future years and,

Whereas, because of the fluctuating oil price, it cannot guarantee future revenues for education and,

Whereas, We must begin somewhere to insure adequate funding for education for our Alaskan Children,

Now, Therefore be it resolved the the Alaska Association of Elementary School Principals support and encourage the 1989-90 legislature to take the necessary steps to insure the creation of the Education Endowment Fund.



Alaska Association Secondary School Principals
 Educational Leadership for Alaska's Future
 1720 Otter Street • Anchorage, Alaska 99504 • [907] 333-9613

John Kalish, District 1
 Sitka High School
 Sitka, Alaska

Robert Hahn, District 2
 Egan High School
 Anchorage, Alaska

William Weisman, District 3
 Valdez
 Talkeetna, Alaska

John Cox, NASSP Exec. Dir.
 Anchorage School District
 Anchorage, Alaska

DIRECTORS

A. M. Kohn, District Region
 McKinley High School
 Anchorage, Alaska

Ray Bushnell, District II
 Seward High School
 Seward, Alaska

Kenneth Rigney III
 Bethel, Alaska

John Rigney III
 Seward High School
 Seward, Alaska

John Rigney III
 Seward High School
 Seward, Alaska

John Morgan, District V
 Seward High School
 Seward, Alaska

William B. Burt
 Seward High School
 Seward, Alaska

James N. Bigham
 Executive Director
 Anchorage, Alaska

**RESOLUTION PASSED AT THE 1988 CONFERENCE OF THE ALASKA
 ASSOCIATION OF SECONDARY SCHOOL PRINCIPALS**

SUBJECT: GOVERNOR'S PROPOSED EDUCATION ENDOWMENT FUND

Whereas, the proposed Endowment Fund would stabilize funding for education for future years and,

Whereas, because of the fluctuating oil price, it cannot guarantee future revenues for education and,

Whereas, We must begin somewhere to insure adequate funding for education for our Alaskan Children,

Now, Therefore be it resolved the the Alaska Association of Secondary School Principals support and encourage the 1989-90 legislature to take the necessary steps to insure the creation of the Education Endowment Fund.

RECEIVED
OCT 4 1988

BOARDS & COMMISSIONS

GOVERNOR'S OFFICE

OCT 6 1988

October 2, 1988

Governor Steve Cowper
P.O. Box A
Juneau, Alaska 99811

Dear Mr. Cowper,

I'd like to thank you for taking the time to meet with the members of the Curriculum Cabinet on September 30 and for sharing with us your proposal for using a portion of the permanent fund interest earnings to create an educational endowment. You asked for the support of the associations represented at the cabinet meeting, and I think I can speak for all of us that you will certainly have that support.

I'm pleased that you are willing to take steps now to assure adequate funding for education in the years to come when our state budget will most likely be further depleted and more tightly stretched.

Again, thank you for your attendance at the Curriculum Cabinet meeting and for your determination to provide for quality education in Alaska's future.

Yours truly,



Lois Petersen
Alaska Association of School Librarians, Representative
P.O. Box 7
Metlakatla, Alaska 99926



ALASKA ASCD

Association for Supervision and Curriculum Development

November 16, 1988

The Honorable Steve Cowper
Governor, State of Alaska
c/o 3601 C Street
Anchorage, AK 99503

Dear Governor Cowper:

The Board of Directors of the Alaska Association for Supervision and Curriculum Development discussed your proposed endowment for education at our recent board meeting, and voted unanimously to commend you in this effort.

AASCD is the state affiliate of a national organization with 110,000 members who represent all professional levels and jobs in education. In Alaska, we have 150 state and over 500 national members. In our recent newsletter, I reported on your speech to the Cabinet of Professional Associations, and hope that this publicity aids you in your effort to secure a sound financial future for Alaska's school districts.

Cordially,

Nancy A. Buell, Ed.D.
President, AASCD
c/o University of Alaska Anchorage
3211 Providence Drive
Anchorage, AK 99508

RECEIVED

NOV 21 1988

DOGA
GOVERNOR'S OFFICE

ALASKA BLACK CAUCUS

POSITION PAPER ON PERMANENT FUND

Given current conditions, this session certainly appears to be an appropriate time to assess the effectiveness of the Permanent Fund as presently constituted.

The Caucus has been steadfast in its support for the establishment of an educational endowment fund for K-12. While the Governor now seems receptive to such a concept, our organization differs with his approach. To endow the fund through future yearly contributions from the undistributed income of the existing Permanent Fund, we support a voter's referendum on splitting the existing fund into two funds of approximately five billion dollars each. One fund would serve the same purpose it now serves. The only modification would be that a designated amount of the undistributed income would be earmarked for large scale capital projects and life/cycle maintenance costs for previously completed capital projects.

The second fund would be for the express purpose of providing a stable source of revenue from the fund for K through 12 education by using the interest earnings.

OFFICE OF
MANAGEMENT & BUDGET

FEB 22 1989

LEGISLATIVE PLANNING

ALASKA CONFERENCE OF MAYORS

217 SECOND STREET, SUITE 200
JUNEAU, ALASKA 99801
586-1325
Fax 463-5480

PRESIDENT 1989
John J. Williams
Mayor City of Kenai
283-7539

VICE PRESIDENT
Willie Goodwin Jr.
Mayor City of Kotzebue
442-3401

February 23, 1989

SECRETARY/TREASURER
Harry E. Gieseler
Mayor City of Seward
224-3331

MEMORANDUM

TO: The Honorable Lyman Hoffman, Co-Chair, House Finance Committee
The Honorable Ron Larson, Co-Chair, House Finance Committee
Members of the House Finance Committee
and
The Honorable John Binkley, Co-Chair, Senate Finance Committee
The Honorable Rick Uehling, Co-Chair, Senate Finance Committee
Members of the Senate Finance Committee

FROM: Alaska Conference of Mayors

SUBJECT: Presentation before a Joint Session of the House and Senate
Finance Committees of the State of Alaska by the Alaska Conference
of Mayors.

The Alaska Conference of Mayors is pleased to offer for your consideration the following programs that we hope will help to enhance revenue to the State, create a more stable situation within the government in future years, and help to promote a balanced budget within the very near future. In addition, some programs will help develop infrastructure and insure quality education for generations to come. The results presented comprise the efforts of the Mayors over the last three months as they have studied the issues and are the result of a statewide survey conducted during the last 21 days. Sources of information were obtained from the Office of the Governor, members of the legislature and their staff, the Departments of Revenue, Labor, and Commerce. We wish to thank all of those who responded with time, information, and assistance in helping to complete this work. Included in our response is a compilation of the data and results of the survey. The Alaska Conference of Mayors, during their regularly scheduled meeting February 23, 1989, concurred in the findings and have declared it to be their official position regarding these issues.

2/23/89

(Attach. 1)

- 1....Recommend that a management audit should be performed to indicate the appropriateness of state services and the most effective method of delivering them.
- 2....Modify the Economic Limit Factor according to House Bill No. 118 now before the First Session of the Sixteenth Legislature.
- 3....Reinstate the State Income Tax allowing for maximum capture of revenue from non-resident employees working within the State.
- 4....Increase the motor fuels tax from eight (8) cents to sixteen (16) cents a gallon with appropriate rebates for boating and off road fuel use as recommended by the Governor's Task Force on Transportation Facilities.
- 5....EDUCATION SHORT-TERM

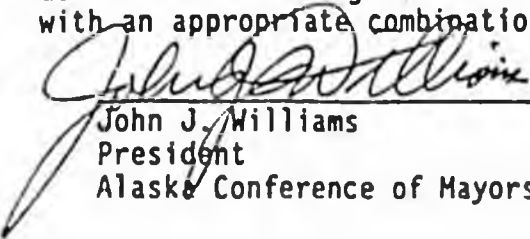
Reinstate the state school tax at a rate of \$50.00 per year per Alaska wage earner.

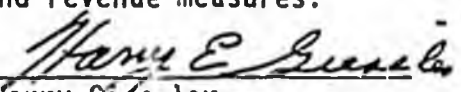
EDUCATION LONG-TERM

Support of the Governor's proposal to identify a portion of the surplus earnings of the Permanent Fund to establish an account within the Permanent Fund which would totally fund the school funding formula. (Requires placement on the ballot.)

- 6....Use a portion of the surplus earnings account of the Permanent Fund to establish a Revolving Loan Fund with guaranteed pay back provisions for capital projects that benefit local governments and which will have a long-term economic development component. Local government shall assist in and have maximum input when establishing program criteria.
- 7....Maintain the Railbelt Energy Fund for use in the railbelt area, with priority given to energy-related projects.

In making these revenue enhancement recommendations, the Alaska Conference of Mayors requests that the Governor and the Legislature recognize the importance of municipalities to the health of the state, and the disproportionate cuts to state aid to municipalities since FY 1986. The Governor and the Legislature should address the budget imbalance this year with an appropriate combination of fair cuts and revenue measures.


John J. Williams
President
Alaska Conference of Mayors


Harry Oesler
Secretary/Treasurer
Alaska Conference of Mayors



Grand Camp
Alaska Native Brotherhood

ALASKA NATIVE SISTERHOOD AND BROTHERHOOD
76TH ANNUAL CONVENTION
JUNEAU, ALASKA
NOVEMBER 14-19, 1988

Rec'd
2/6/89

RESOLUTION NO. 34

TITLE: THE ESTABLISHMENT OF A PERMANENT EDUCATION FUND

WHEREAS, the highest priority for the Alaska Native Brotherhood and Sisterhood Grand Camp is education, and

WHEREAS, one in three of Alaska's people is under the age of 18, giving the state the youngest population in the nation, and

WHEREAS, the right to a free education for every child has been universally recognized, and in Alaska mandated by the State Constitution, and

WHEREAS, education provides the opportunity for reaching personal fulfillment and economic self-sufficiency, and

WHEREAS, to fail to provide that opportunity penalizes not only the individual child, but also the society as a whole, and

WHEREAS, volatile and unpredictable oil revenues have resulted in decreased state funding for education over the last few years, and

WHEREAS, future state oil revenues are projected to decline with the gradual decline of Prudhoe Bay production, making general fund support of public education more difficult and uncertain, and

WHEREAS, fluctuating local property values have also contributed to educational funding uncertainty, and

WHEREAS, federal funding for education has also become increasingly more unpredictable, now

THEREFORE BE IT RESOLVED that the Grand Camp of the Alaska Native Brotherhood and Sisterhood assembled in Juneau during the week of November 14-19, 1988 supports and endorses the establishment of an education fund that guarantees adequate financial support for elementary and secondary schools in the state: and

BE IT FURTHER RESOLVED that this resolution be directed to the Governor, the State's Commissioner of Education and the State Legislature.

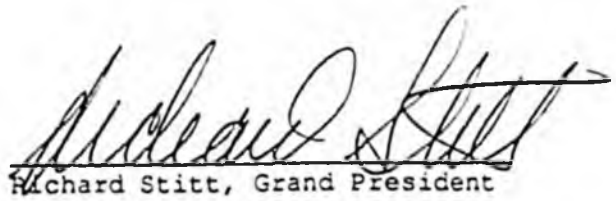
FEB 06 1989

STRATEGIC PLANNING


RESOLUTION NO. 34
Page 2 of 2

ATTEST:

I certify that this resolution
was adopted by the ANB-ANS
Grand Camp in Convention at
Juneau, Alaska during the week
of November 14-19, 1988.



Richard Stitt, Grand President



Albert Kookesh, Grand Secretary

ASSOCIATION OF ALASKA SCHOOL BOARDS

316 W 11th St. • Juneau, Alaska 99801-1510 • (907) 586-1083

POSITION PAPER

HJR 13 EDUCATION ENDOWMENT

The Association of Alaska School Boards actively supports the efforts of Governor Cowper to secure a constitutional amendment to create an Educational Endowment.

The opportunity and the need to solidify the future of Alaska's public education system is upon us. In terms of resources, Alaska has the opportunity and ability to provide a long term commitment to the education of its people with nominal effort. The need, in view of Alaska's economic situation, requires foresight and a bold approach if we are to insure a quality educational program for future generations of Alaskans.

The use of Permanent Fund earnings will continue to provide the security of a rainy day account while providing a sound foundation for the future cost of education.

CITY OF KAKTOVIK

RESOLUTION NUMBER 89-01

A RESOLUTION OF THE CITY OF KAKTOVIK, ALASKA SUPPORTING
THE PLACEMENT OF GOVERNOR COWPER'S EDUCATION FUNDING
AMENDMENT ON THE NEXT BALLOT.

WHEREAS, education is of the highest priority to the City of
Kaktovik, and

WHEREAS, uncertain education funding has been a continuing
source of anxiety for the City of Kaktovik, and

WHEREAS, the proposed account within the Permanent Fund
would totally fund the school funding formula in Alaska,

NOW, THEREFORE BE IT RESOLVED, that the City of Kaktovik
supports the placement of the Education Funding Amendment upon
the next State ballot.

PASSED AND APPROVED BY THE CITY COUNCIL OF KAKTOVIK,
ALASKA THIS 17th day of January, 1989.

George T. Tagarook
George Tagarook, Mayor

ATTEST:

Mary Soplu
Mary Soplu, City Clerk



KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Resolution No.216
Ketchikan Gateway Borough School District

GOVERNOR'S EDUCATIONAL ENDOWMENT PLAN

WHEREAS, the school districts of the State have had to cope with the rising and falling price of oil and its impact upon the State's revenues and ultimately upon the foundation formula; and,

WHEREAS, the school districts of the State in 1986 endured revenue shortfalls after approval of their respective budget; and,

WHEREAS, the Governor of the State of Alaska has, with vision and foresight, proposed an amendment to the State's Constitution that would create an educational endowment fund; and,

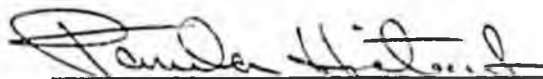
WHEREAS, the 10/6/88 draft of the proposed amendment with suspension provision added would be in the best interest of the students of the State; and,

WHEREAS, the endowment would begin payment to the school district of the state in the year 2000; and


WHEREAS, the suspension provision would protect the state in a time of serious revenue decline by not requiring payment to the fund;

THEREFORE BE IT RESOLVED, that the Ketchikan Gateway Borough School District Board of Education lends its full support to the concept of an educational endowment fund to be used for Public Elementary and Secondary Education and urges the passage of this amendment.

PASSED, APPROVED, AND ADOPTED BY THE BOARD OF EDUCATION OF THE KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT OF KETCHIKAN, ALASKA THIS 15 DAY OF February, 1989.



PRESIDENT OF THE BOARD



CLERK-TREASURER OF THE BOARD



NEA-ALASKA

AFFILIATED WITH THE NATIONAL EDUCATION ASSOCIATION

Handwritten: Hallmark
RECEIVED
JAN 27 1989

ANCHORAGE REGIONAL OFFICE

1411 W 33RD AVENUE
ANCHORAGE ALASKA 99503 -
(907) 274 0536

JUNEAU OFFICE

105 MUNICIPAL WAY SUITE 302
JUNEAU ALASKA 99801
(907) 586 3090

FAIRBANKS REGIONAL OFFICE

2118 CUSHMAN STREET
FAIRBANKS ALASKA 99701
(907) 456 4435

January 20, 1989

To: Rep. Johnny Ellis, Chair
Members, House HESS Committee

Re: House Joint Resolution No. 13; "Proposing
an amendment to the Constitution of the
State of Alaska, establishing a permanent
endowment for education in Alaska."

NEA-Alaska supports and encourages the passage of HJR 13.

Public education in Alaska is such an important and vital part of our long range future that removing its funding source from the annual "competition" within the budget process is essential for the stability which is necessary if we are to improve upon the programs and services which are available to students.

HJR 13 is a sound, long range solution to public school funding needs.

More importantly, it provides the opportunity for the general public to affirm its support for the funding source.

Utilization of permanent fund earnings to establish a basis for funding public education is consistent with the original intent and purpose of the permanent fund itself.

We encourage that the legislative discussion and deliberation also acknowledge that earnings from the endowment account may require periodic supplemental appropriations from other sources until the earnings from the account itself are sufficient to fully fund public education.

Finally, we also encourage that the Administration, the Alaska State Legislature, and the entire education community join together in articulating the need for HJR 13 when it is on the ballot in 1990.

Thank you for your consideration of our position.

JAN 30 1989

STRATEGIC PLANNING



Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Bob Manners", with a long horizontal flourish extending to the right.

Bob Manners
Executive Secretary

cc: Governor Steve Cowper

NEWS CLIPPINGS IN
Fairbanks
Daily News Miner

Editorial Opinion and Comment of



Daily News - Miner

"Independent in All Things... Neutral in None"

Other opinions expressed on this page do not necessarily reflect those of the Daily News-Miner.

Education endowment deserves close look

One of the most interesting proposals from Gov. Steve Cowper this session is one for a constitutional amendment to set aside up to 40 percent of future permanent fund earnings for savings in a special education endowment account.

The governor has assigned it his No. 1 priority for the Legislature to pass, which means we are likely to hear a lot about it this year, and probably next year as well, before it goes on the ballot.

Problems may arise as the proposal is debated, but for the moment, at least, it seems to make a great deal of sense.

About 25 percent of the state's budget—nearly \$100 million—goes to costs of elementary and secondary education. Under the governor's proposal, earnings from the permanent fund would be placed in an account dedicated to education and invested with the rest of the fund. In the year 2001, when earnings in the education account are projected to reach \$187 million, they could be withdrawn to pay for costs of education.

The chief debate is likely to be over how the education endowment would affect dividends. In the short term, however, it's hard to see how it would affect dividends at all.

At present dividends are figured on a base of the fund's earnings over the previous five years. Half the earnings are used for dividends and the rest is added to the principal as inflation-proofing or placed in the undistributed income account, which is also invested in the fund. Gov. Cowper would like to use the earnings placed in the education account as inflation-proofing, cut dividends to 40 percent, and use the other 20 percent for operation of state government.

Office of the Governor

Date: 1-23-1988

Until earnings are withdrawn from the education account in the year 2001, dividend projections with the account and without it are the same. The governor's proposals to use 20 percent of the fund's earnings and the \$575 million undistributed income account for state operating expenses have a much more immediate impact on dividends.

The education endowment would have the effect of forcing the state to reinvest 40 percent of the permanent fund's earnings into the fund. The principal thereby created, and its earnings, would not be available for dividends, but would be money saved by the state. The proposed constitutional amendment would allow the Legislature to extend, revise or cancel the account in the year 2010.

Some people argue that no use should be made of the permanent fund except to have it grow larger and pay dividends. This is not the purpose for which the fund was created, however. The education endowment would guarantee that the fund will grow larger and could eventually remove a major cost of state government from current operating expenses.

The governor's proposal to create an education endowment has many long-term ramifications, and some of them may not yet be clear. The principle seems sound, however, and we urge the Legislature to give it a sympathetic hearing.

Fairbanks, Alaska

Fund for education

When you get right down to it, there aren't all that many jobs a state has to do. Public safety and transportation come to mind, but the most important is education.

Under the Alaska Constitution, the state has the responsibility for seeing to it that young Alaskans get a proper education. That requirement is not contingent upon whether the state has enough money, nor does it matter where a child lives. An Aniak child has the same rights to an education as an Anchorage child.

Doing that is not easy - or cheap. Each year, a huge portion of the state operating budget - more than \$400 million - goes to school districts around the state.

The abrupt end of plentiful oil money has shaken awake many state leaders, who now realize Prudhoe Bay oil wealth is a finite and not very reliable source of income. By the end of the century, it won't be a major source of income at all.

Keeping that in mind, the state's leaders would be wise to establish some sort of mechanism to pay for education.

That's exactly what Gov. Steve Cowper is proposing. He is asking legislators to forward to voters a constitutional amendment to set aside 40 percent of the earnings of the state's oil wealth savings account, the Alaska Permanent Fund. That money would be allowed to grow until the year 2000, when it would be worth \$6.3 billion and produce \$500 million in interest annually. The fund would have a 20-year lifespan but could be extended.

Either through Gov. Cowper's plan or taxes, Alaskans will have to pay for education during the years to come. Aside from a reduction in their permanent fund dividends, this plan is as painless as any to pay our obligation to the children of Alaska.

Weigh that against the positive effect of reducing the state's budget requirements by more than \$400 million each year, and the argument in favor of Gov. Cowper's plan quickly gains favor.

It may not be perfect, but until we hear a better idea, we're for Gov. Cowper's education fund.

ISSUE: Governor offers plan for funding schools

HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES



P.O. BOX V, JUNEAU 99811
(907) 465-3759

HOUSE HESS COMMITTEE LETTER OF INTENT TO HJR 13

It is the intent of the 16th Alaska State Legislature in passing HJR 13 to the voters, that future legislatures should not consider income from the endowment as the only source of funding for public elementary and secondary education, but that additional funding sources may be sought as determined by the will of future legislatures to meet future educational needs.



Rep. Johnny Ellis
Chairman

March 1, 1989
Date of Adoption

HEALTH. EDUCATION AND SOCIAL SERVICES COMMITTEE

ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES



P.O. BOX V, JUNEAU 99811
(907) 465-3759

Draft

HOUSE HESS COMMITTEE LETTER OF INTENT TO HJR 13

It is the intent of the 16th Alaska State Legislature in passing HJR 13 to the voters, that future legislatures should not consider income from the endowment as the only source of funding for public elementary and secondary education, but that additional funding sources may be sought as determined by the will of future legislatures to meet future educational needs.

Rep. Johnny Ellis
Chairman

Date of Adoption

FISCAL NOTE

REQUEST: _____

Revision Date: _____ Agency Affected: Education
 Title: Establishing a Permanent BRU: _____
Endowment For Education
 Sponsor: Rules Components: _____
 Requestor: House HESS

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

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

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Mary Hakala Phone: 465-2800
 Division: Commissioner's Office Date: 2/1/89
 Approved by Commissioner: William G. Demmert Date: 2/1/89
 Agency: Education

Distribution (by preparer):

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

FISCAL NOTE

#2

REQUEST:

Revision Date: _____
Title: Education Endowment - House
Joint Resolution
Sponsor: Rules Committee
Requestor: Governor Steve Cowper

Agency Affected: Alaska Permanent Fund Corp.
BRU: _____
Components: Alaska Permanent Fund Corp.

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
----------------	-----	-----	-----	-----	-----	-----

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

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Expenses for managing the education endowment will be minimal and will be covered in the normal accounting for Permanent Fund principal.

Prepared by: David A. Rose, Executive Director
Division: Alaska Permanent Fund Corporation

Phone: (907) 465-2047
Date: January 6, 1989

Approved by Commissioner: _____
Agency: DOR

Date: _____

Distribution (by preparer):

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

FISCAL NOTE FOR EDUCATION ENDOWMENT

The attached fiscal note dated January 6, 1989 was prepared by the Executive Director of the Alaska Permanent Fund Corporation.

The investments of the endowment will incur costs. These costs would normally be appropriated from the earnings of the endowment itself.

If this is done, no costs would be paid by the general fund or by the Alaska Permanent Fund.

A handwritten signature in cursive script, appearing to read "J. Malone".

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

#3

January 16, 1989

The Honorable Sam Cotten
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Cotten:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a joint resolution proposing a constitutional amendment to establish an education endowment in the principal of the Alaska permanent fund. The purpose of the amendment is to provide a stable, long-term, and critically important source of funding for public elementary and secondary schools in Alaska.

Over the last few years, Alaska's public school funding has been subject to increasing uncertainty due to volatility of oil revenue, fluctuation of local property value, and decreasing federal support. This funding uncertainty endangers the ability of the public schools to offer quality education to children. To ensure a bright future for our children and our state, we must provide a stable financial base for education.

By placing the education endowment within the principal of the Alaska permanent fund, the endowment will enjoy the trust management and high earnings of the fund. The permanent fund will gain the increased support of a notable constituency -- Alaskans who care for our children's future. Under the proposed amendment, no less than 40 percent of the annual income of the permanent fund will be safeguarded for education. Dividends and the permanent fund assets will continue to grow.

Because this measure proposes a constitutional amendment, it must be placed before the voters for their approval at the next general election, in 1990.

I urge your favorable consideration of this resolution.

Sincerely,

A handwritten signature in cursive script, appearing to read "Steve Cowper".

Steve Cowper
Governor



NEA-ALASKA

AFFILIATED WITH THE NATIONAL EDUCATION ASSOCIATION

#4

ANCHORAGE REGIONAL OFFICE

1411 W 33RD AVENUE
ANCHORAGE, ALASKA 99503
(907) 274 0536

JUNEAU OFFICE

105 MUNICIPAL WAY, SUITE 302
JUNEAU, ALASKA 99801
(907) 586-3090

FAIRBANKS REGIONAL OFFICE

2118 CUSHMAN STREET
FAIRBANKS, ALASKA 99701
(907) 456-4435

January 20, 1989

To: Rep. Johnny Ellis, Chair
Members, House HESS Committee

Re: House Joint Resolution No. 13; "Proposing
an amendment to the Constitution of the
State of Alaska, establishing a permanent
endowment for education in Alaska."

NEA-Alaska supports and encourages the passage of HJR 13.

Public education in Alaska is such an important and vital part of our long range future that removing its funding source from the annual "competition" within the budget process is essential for the stability which is necessary if we are to improve upon the programs and services which are available to students.

HJR 13 is a sound, long range solution to public school funding needs.

More importantly, it provides the opportunity for the general public to affirm its support for the funding source.

Utilization of permanent fund earnings to establish a basis for funding public education is consistent with the original intent and purpose of the permanent fund itself.

We encourage that the legislative discussion and deliberation also acknowledge that earnings from the endowment account may require periodic supplemental appropriations from other sources until the earnings from the account itself are sufficient to fully fund public education.

Finally, we also encourage that the Administration, the Alaska State Legislature, and the entire education community join together in articulating the need for HJR 13 when it is on the ballot in 1990.

Thank you for your consideration of our position.



Official Business

COMMITTEE:
House HESS Committee

DATE:

Subject of meeting:

SIGN-IN

NAME	ADDRESS- Include ZIP	PHONE	(Include Title) REPRESENTING	If testifying, specify bill
Felicia Leipzig	1944 Red Leaf Rd. Fairbanks	453-6560	Alaska State Reading Ass. President	
Judy SALD	105 Municipal Hwy Juneau	586-3090	NEA-Alaska Exec Director	
Stephen McPhets	326 4 th St. #408 Juneau	586-9702	AK. Council of Sch. Admin.	
Shelma Miller	226 Highland St. Juneau	586-3558	Dm B	
Robin Kirkland	PO Box 21584 Cooke Bay 99821	789-3131	Leg. Secretary	

ibido

LEGISLATIVE TELECONFERENCE NETWORK

SIGN-IN SHEET



SPONSOR: House HESS

SUBJECT: Education Endowment

START/END TIME: 10AM - 4:00 PM DATE: 2/25/89

10:00 - 12:30p

PLEASE PRINT

TESTIFY
OBSERVE
BILL #

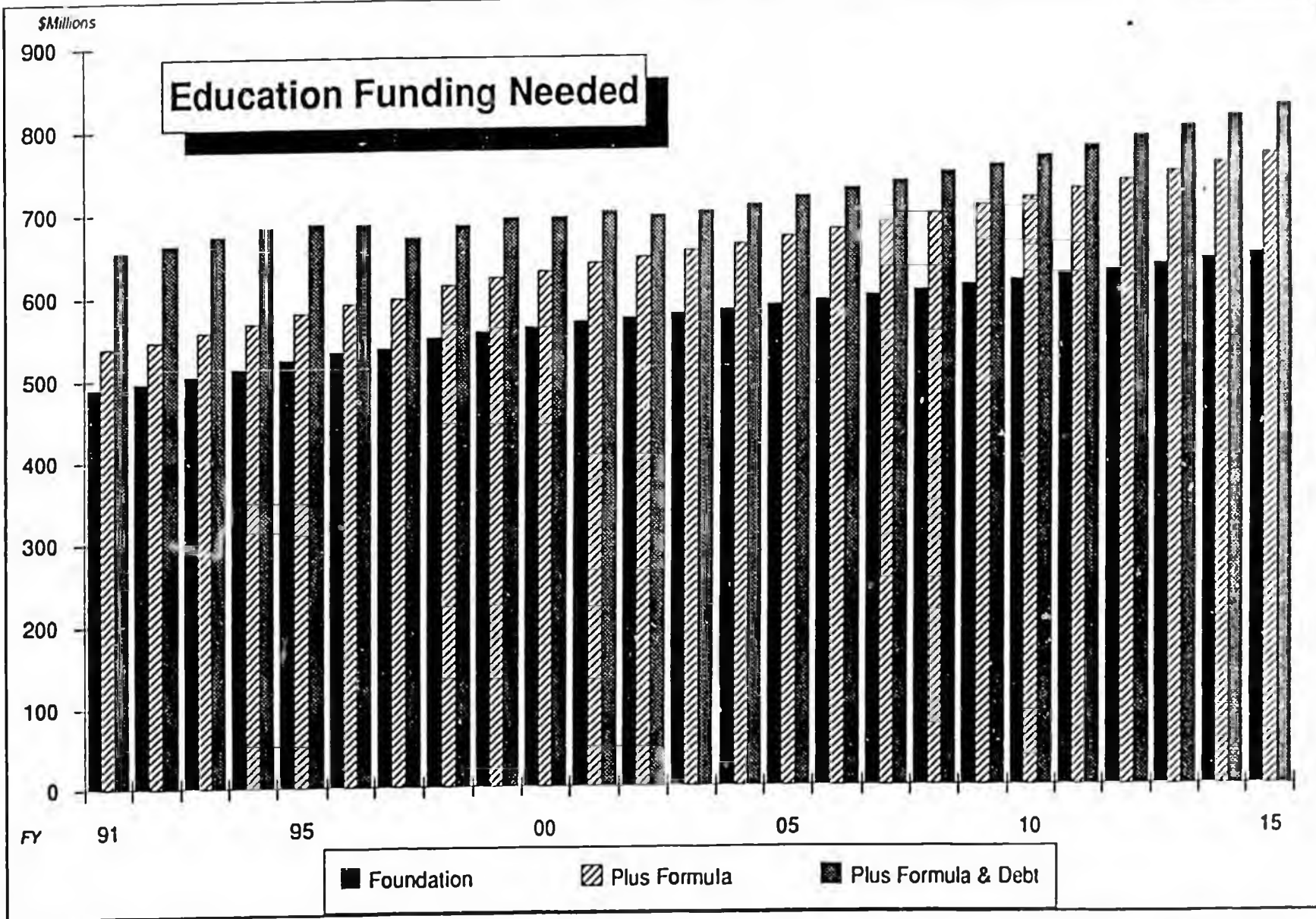
	NAME/REPRESENTING	ADDRESS	PHONE	TESTIFY	OBSERVE	BILL #
1	Charles McKeo	539 E 12th Ave Anch 501	276-0530	✓		
2	Pam. McCay / Anchorage Ed. Assn.	1411 W. 32nd Ave. Anch. 99508	274-0530	✓		
3	Peg Stout	6208 E. 34th Ave. Anch. 99504	331-7047	✓		
4	Shirley Treton	1265 Elegante Ln Anch 99501	276-4443	✓		
5	Ann McCoy / Alaska PTA	7749 Old Harbor Anch 99504	337-6138	✓		
6	Kathi McCord	11601 Hidden Lane Anch 99501	272-8015	✓		
7	David Schwantes	8148 E 4th Ave, Anch. AK 99504	333-1327	✓		
8	MARY HALLOMAN	GOVERNOR'S OFFICE	465-3568	✓		
9	Jean Buchanan	Alaska Association School Board	279-3910	✓		
10	Ed Eamhart	1043 W. 74th Ave. Anch 99572	398-1160	✓	✓	
11						
12						
13						
14						
15						
16						
17						
18						

BRIEFING UPDATE

House Joint Resolution No. 13
Education Amendment

Office of the Governor
Division of Policy

February 25, 1989



ALASKA SCHOOLS' FUNDING NEEDS
FY 1991 - FY 2015

Fiscal Year	Foundation	Plus Other Formula	Plus Formula and Debt
91	490	538	654
	496	546	662
	504	556	672
	512	566	682
95	522	578	686
	531	589	685
	535	596	669
	548	611	683
00	555	620	692
	560	628	692
	566	637	699
	570	644	693
	575	651	698
05	580	658	706
	585	667	715
	591	676	725
	596	685	733
10	602	694	743
	608	703	752
	614	712	762
	619	722	774
	625	732	785
15	631	742	797
	637	753	809
	643	763	821

Division Of Policy - 2/24/89
 (Based on Dept. of Education projections)
 [EDNEEDS4.XLS]

RAW DATA:

	Foundation Entitlement	Transp. Entitlement	Transp. Entitlement (Adjusted)	Tuition Entitlement	Handi-capped Entitlement	Youth/ Detention Entitlement	Boarding Home Entitlement	Community Schools Entitlement	Community Schools (Adjusted)	TOTAL OTHER FORMULA
89										
90										
91	489.990	26.680	26.680	15.515	3.400	1.389	0.478	4.646	0.800	48 263
92	495.529	28.061	27.347	16.318	3.576	1.461	0.503	4.886	0.800	50 005
93	503.837	29.674	28.031	17.256	3.782	1.545	0.532	5.167	0.800	51.945
94	512.145	31.370	28.732	18.243	3.998	1.633	0.562	5.462	0.800	53.967
95	521.837	33.242	29.450	19.331	4.236	1.730	0.595	5.788	0.800	56.143
96	531.069	35.183	30.186	20.460	4.484	1.831	0.630	6.126	0.832	58.424
97	535.253	36.876	30.941	21.444	4.699	1.920	0.661	6.421	0.865	60.530
98	547.685	39.244	31.715	22.822	5.001	2.043	0.703	6.834	0.900	63.183
99	554.608	41.328	32.508	24.034	5.267	2.151	0.740	7.196	0.936	65.636
00	559.605	43.377	33.320	25.225	5.528	2.258	0.777	7.553	0.973	68.081
01	566.147	45.631	34.153	26.536	5.815	2.375	0.817	7.946	1.012	70.709
02	570.301	47.803	35.007	27.799	6.092	2.488	0.856	8.324	1.053	73.295
03	574.917	50.117	35.882	29.145	6.387	2.609	0.898	8.727	1.095	76.015
04	579.532	52.539	36.779	30.553	6.696	2.735	0.941	9.149	1.139	78.843
05	585.071	55.165	37.699	32.080	7.030	2.872	0.988	9.606	1.184	81.853
0	590.660	57.923	38.641	33.684	7.382	3.015	1.038	10.086	1.232	84.991
0	596.301	60.812	39.607	35.364	7.750	3.166	1.089	10.589	1.281	88.257
0	601.992	63.845	40.597	37.128	8.136	3.323	1.144	11.117	1.332	91.661
0	607.738	67.030	41.612	38.980	8.542	3.489	1.201	11.672	1.385	95.210
10	613.536	70.373	42.653	40.924	8.968	3.663	1.261	12.254	1.441	98.910
0	619.383	73.883	43.719	42.965	9.416	3.846	1.323	12.865	1.498	102.768
0	625.286	77.569	44.812	45.108	9.885	4.038	1.389	13.507	1.558	106.791
0	631.245	81.438	45.932	47.358	10.378	4.239	1.459	14.181	1.621	110.988
0	637.259	85.500	47.081	49.721	10.896	4.451	1.532	14.888	1.685	115.365
15	643.329	89.764	48.258	52.201	11.440	4.673	1.608	15.631	1.753	119.931

↑
average
annual
growth =
5.19%

↑
escalated at
2.50%
per year

(range=
4.76%
to 6.42%)

↑
Held at
\$900K for
5 years,
then in-
flated
at 4%
per year

⊕ Includes two
adjusted columns
(omits originals)

	Existing Debt	New [*] Debt	TOTAL DEBT
89	116.104	0.000	116.104
90	112.171	3.934	116.104
91	109.255	6.850	116.104
92	106.226	9.878	116.104
93	97.945	18.159	116.104
94	84.928	31.176	116.104
95	75.896	32.111	108.007
96	62.456	33.074	95.531
97	39.436	34.067	73.503
98	37.250	35.089	72.339
99	35.696	36.141	71.838
00	27.296	37.226	64.522
01	23.446	38.342	61.789
0	10.108	39.493	49.601
03	6.461	40.677	47.138
04	5.335	41.898	47.233
05	5.268	43.155	48.423
0	4.562	44.449	49.011
0	2.579	45.783	48.362
0	2.617	47.156	49.773
0	0	48.571	48.571
10	0	50.028	50.028
0	0	51.529	51.529
0	0	53.075	53.075
0	0	54.667	54.667
0	0	56.307	56.307
15	0	57.996	57.996

inflation =
3.00%

*)

New debt (grants) take up slack of decline
in scheduled old debt for first five years.
Thereafter, grants amount is inflated at
3% per year.

ALASKA SCHOOLS' FUNDING NEEDS
VS.
EDUCATION FUND INCOME

Between fiscal year 2001 and 2005 it appears the education fund fully provides for public elementary and secondary schools, including the foundation formula, other education formula programs, and school construction. The estimates assume that appropriations begin in fiscal year 2001.

Projection assumptions

Full funding year

Mid-case oil revenues, 4% rate of return,
low population

Full funding in FY 2001

Mid-case oil revenues, 3% rate of return,
low population

Full funding in FY 2004

Low-case oil revenues, 4% rate of return,
low population

Full funding in FY 2001

Low-case oil revenues, 3% rate of return,
low population

Full funding in FY 2005

With Education Amendment

4% Real Rate Of Return - Education Appropriations Start In FY 2001
40% Dedication Through Year 2003

Forecast: DOR, 11/88
PF Status: 12/31/88

Revenue: Mid-Case
Population: Low Case

FY	Education Fund Balance	Total Permanent Fund Balance	Education Fund Net Income	Per Capita Dividends
91	217	10,701		\$863.60
92	705	11,814	22	\$870.88
93	1,259	12,709	70	\$932.28
94	1,889	13,654	126	\$998.72
95	2,599	14,646	189	\$1,070.94
96	3,399	15,718	260	\$1,098.28
97	4,298	16,883	340	\$1,120.28
98	5,304	18,149	430	\$1,140.32
99	6,430	19,525	530	\$1,158.82
0	7,688	21,024	643	\$1,176.00
1	8,321	21,890	769	\$1,192.40
2	8,967	22,758	832	\$1,207.49
3	9,625	23,631	897	\$1,221.15
4	10,296	24,507	962	\$1,231.71
5	10,978	25,383	1,030	\$1,242.35

PFD calculation is based on non-education earnings of Permanent Fund. Full PFD amount is distributed, so long as sufficient non-education earnings (including reserves) remain for it after 40 percent distribution to education account. Income distribution priorities: retention of education earnings first, then 40% distribution, then dividends, then inflation proofing.

With Education Amendment

3% Real Rate Of Return - Education Appropriations Start In FY 2001
40% Dedication Through Year 2005

Forecast: DOR, 11/88
PF Status: 12/31/88

Revenue: Mid-Case
Population: Low Case

FY	Education Fund Balance	Total Permanent Fund Balance	Education Fund Net Income	Per Capita Dividends
91	194	10,679		\$841.63
92	623	11,606	17	\$824.78
93	1,105	12,390	56	\$860.50
94	1,647	13,219	99	\$900.30
95	2,252	14,089	148	\$945.11
96	2,926	15,022	203	\$965.49
97	3,676	16,026	263	\$982.05
98	4,508	17,107	331	\$997.47
99	5,431	18,269	406	\$1,011.79
0	6,451	19,522	489	\$1,025.38
1	6,998	20,294	581	\$1,038.10
2	7,556	21,067	630	\$1,049.94
3	8,125	21,842	680	\$1,060.58
4	8,704	22,619	731	\$1,068.51
5	9,293	23,395	783	\$1,076.70

PFD calculation is based on non-education earnings of Permanent Fund. Full PFD amount is distributed, so long as sufficient non-education earnings (including reserves) remain for it after 40 percent distribution to education account. Income distribution priorities: retention of education earnings first, then 40% distribution, then dividends, then inflation-proofing.

With Education Amendment

4% Real Rate Of Return - Education Appropriations Start In FY 2001
40% Dedication Through Year 2005

Forecast: DOR, 11/88

Revenue: Low-Case

PF Status: 12/31/88

Population: Low Case

FY	Education Fund Balance	Total Permanent Fund Balance	Education Fund Net Income	Per Capita Dividends
91	213	10,494		\$859.17
92	691	11,508	21	\$861.73
93	1,229	12,291	69	\$916.33
94	1,836	13,116	123	\$974.48
95	2,518	13,983	184	\$1,037.66
96	3,280	14,920	252	\$1,056.13
97	4,133	15,939	328	\$1,069.08
98	5,084	17,048	413	\$1,080.07
99	6,144	18,257	508	\$1,089.51
0	7,323	19,578	614	\$1,097.80
1	7,902	20,291	732	\$1,105.31
2	8,488	21,007	790	\$1,111.86
3	9,084	21,725	849	\$1,116.97
4	9,687	22,446	908	\$1,119.80
5	10,297	23,169	969	\$1,122.82

PFD calculation is based on non-education earnings of Permanent Fund. Full PFD amount is distributed, so long as sufficient non-education earnings (including reserves) remain for it after 40 percent distribution to education account. Income distribution priorities: retention of education earnings first, then 40% distribution, then dividends, then inflation-proofing.

With Education Amendment

3% Real Rate Of Return - Education Appropriations Start In FY 2001
 40% Dedication Through Year 2005

Forecast: DOR, 11/88

Revenue: Low-Case

PF Status: 12/31/88

Population: Low Case

FY	Education Fund Balance	Total Permanent Fund Balance	Education Fund Net Income	Per Capita Dividends
91	191	10,471		\$837.57
92	611	11,304	17	\$816.36
93	1,079	11,979	55	\$846.18
94	1,601	12,692	97	\$878.74
95	2,180	13,442	144	\$915.39
96	2,822	14,247	196	\$927.92
97	3,534	15,114	254	\$936.62
98	4,319	16,047	318	\$944.14
99	5,186	17,055	389	\$950.54
0	6,142	18,144	467	\$956.19
1	6,641	18,771	553	\$961.29
2	7,148	19,400	598	\$965.48
3	7,661	20,030	643	\$968.79
4	8,181	20,662	690	\$969.70
5	8,708	21,295	736	\$971.30

PFD calculation is based on non-education earnings of Permanent Fund. Full PFD amount is distributed, so long as sufficient non-education earnings (including reserves) remain for it after 40 percent distribution to education account. Income distribution priorities: retention of education earnings first, then 40% distribution, then dividends, then inflation-proofing.

JUNEAU SCHOOL DISTRICT BOARD OF EDUCATION

RESOLUTION #8-89

A RESOLUTION OF THE BOARD OF EDUCATION OF THE CITY AND BOROUGH OF JUNEAU SUPPORTING AN AMENDMENT TO THE ALASKA CONSTITUTION TO PROVIDE FOR THE ESTABLISHMENT OF AN EDUCATION ENDOWMENT.

WHEREAS, one of every three Alaskans is under the age of 18, giving Alaska the youngest population of any state in the nation, and

WHEREAS, the right to a free education for every child has been universally recognized, and in Alaska is mandated by the state constitution, and

WHEREAS, education provides the opportunity for reaching personal fulfillment and economic self-sufficiency, and

WHEREAS, to fail to provide that opportunity penalizes not only the individual child, but also the society as a whole, and

WHEREAS, volatile and unpredictable oil revenues have resulted in decreased state funding for education over the last few years, and

WHEREAS, future state oil revenues are projected to decrease with the gradual decline of Prudhoe Bay production, making general fund support of public education more difficult and uncertain, and

WHEREAS, fluctuating local property values have also contributed to educational funding uncertainty, and

WHEREAS, federal funding for education has also become increasingly more unpredictable, and

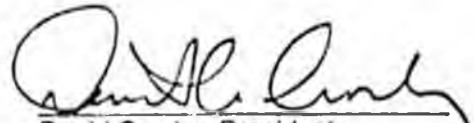
WHEREAS, an education endowment from the permanent fund earnings could provide critically important immediate and long-term, stable funding for public elementary and secondary schools;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

1. That the Board of Education of the City and Borough of Juneau supports and endorses an amendment to the Constitution of the State of Alaska providing for the use of permanent fund earnings for immediate and long-term public education.

2. Effective Date. This resolution shall be effective immediately upon adoption.

Adopted this 21st day of February, 1989.


David Crosby, President

Attest:

Charlotte Richards, Clerk

KETCHIKAN GATEWAY BOROUGH

RESOLUTION NO. 526

A RESOLUTION OF THE ASSEMBLY OF THE KETCHIKAN GATEWAY BOROUGH, ALASKA, SUPPORTING THE EFFORTS OF GOVERNOR STEVE COWPER TO SECURE A CONSTITUTIONAL AMENDMENT TO CREATE AN EDUCATIONAL ENDOWMENT, AND ESTABLISHING AN EFFECTIVE DATE.

RECITALS

A. Alaska's public education over the last fifteen years has been largely financed by Prudhoe Bay oil money.

B. The State of Alaska now has both the need and the opportunity to stabilize future funding of Alaska's public education system.

C. Alaska has the resources to provide a long term commitment to the education of its people.

D. The best investment the State of Alaska can make is in public education, and an investment now will guarantee that Alaska will have the financial means to support its public schools for years to come.

E. Alaska Governor Steve Cowper has announced his intention to introduce an amendment to the Alaska Constitution to provide for and create an Education Endowment for public education for the State of Alaska.

NOW, THEREFORE, IT IS RESOLVED BY THE ASSEMBLY OF THE KETCHIKAN GATEWAY BOROUGH, ALASKA, as follows:

Section 1. The Ketchikan Gateway Borough hereby supports the efforts of Governor Cowper to secure a constitutional amendment to create an Educational Endowment.

Section 2. The Borough Clerk is hereby directed to send copies of this Resolution to Governor Steve Cowper, Senator Lloyd Jones, and Representatives Robin Taylor and Cheri Davis.

Section 3. This Resolution shall be effective upon adoption.

ADOPTED this 21ST day of FEBRUARY, 1989.


BOROUGH MAYOR

ATTEST:

Georgianna Booth
BOROUGH CLERK

APPROVED AS TO FORM:

Russell W. Walker
MUNICIPAL ATTORNEY

RESAED



KETCHIKAN GATEWAY BOROUGH
SCHOOL DISTRICT

Resolution No.216
Ketchikan Gateway Borough School District

GOVERNOR'S EDUCATIONAL ENDOWMENT PLAN

WHEREAS, the school districts of the State have had to cope with the rising and falling price of oil and its impact upon the State's revenues and ultimately upon the foundation formula; and,

WHEREAS, the school districts of the State in 1986 endured revenue shortfalls after approval of their respective budget; and,

WHEREAS, the Governor of the State of Alaska has, with vision and foresight, proposed an amendment to the State's Constitution that would create an educational endowment fund; and,

WHEREAS, the 10/6/88 draft of the proposed amendment with suspension provision added would be in the best interest of the students of the State; and,

WHEREAS, the endowment would begin payment to the school district of the state in the year 2000; and

WHEREAS, the suspension provision would protect the state in a time of serious revenue decline by not requiring payment to the fund;

THEREFORE BE IT RESOLVED, that the Ketchikan Gateway Borough School District Board of Education lends its full support to the concept of an educational endowment fund to be used for Public Elementary and Secondary Education and urges the passage of this amendment.

PASSED, APPROVED, AND ADOPTED BY THE BOARD OF EDUCATION OF
THE KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT OF
KETCHIKAN, ALASKA THIS 15 DAY OF February, 1989.


PRESIDENT OF THE BOARD


CLERK-TREASURER OF THE BOARD

CITY OF KOTZEBUE
RESOLUTION NO. R9-4

A RESOLUTION SUPPORTING THE EDUCATION AMENDMENT TO THE CONSTITUTION.

WHEREAS; Alaska's public elementary and secondary schools are now supported by oil-based revenue, and;

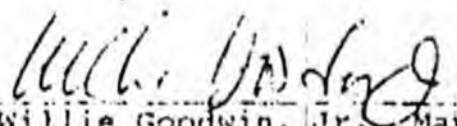
WHEREAS; about 25% of each year's state expenditures are for public education, which is mandated by the state constitution, and;

WHEREAS; within ten years Prudhoe Bay production is estimated to drop by almost half, that decline, coupled with fluctuating local property values and increasingly more unpredictable federal funding for education makes the future of Alaska schools' funding very uncertain.


BE IT RESOLVED THAT the City of Kotzebue supports a constitutional amendment establishing an education fund from excers earning of the Permanent Fund.

PASSED AND APPROVED THIS 19TH DAY OF JANUARY, 1989.

CITY OF KOTZEBUE:


Willie Goodwin, Jr., Mayor

ATTEST:


Zonna Lee, City Clerk

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 CS FOR HOUSE JOINT RESOLUTION NO. 13 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Proposing amendments to the Constitution
6 of the State of Alaska creating a perma-
7 nent endowment for education.

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 pro-
13 vided in Sections 15, 17, and 18 [SECTION 15] of this article or when
14 required by the federal government for state participation in federal
15 programs. This provision shall not prohibit the continuance of any
16 dedication for special purposes existing upon the date of ratification
17 of this section by the people of Alaska.

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

20 SECTION 17. EDUCATION ENDOWMENT. There is established an educa-
21 tion endowment to finance public education. The education endowment
22 is part of the principal of the Alaska permanent fund. The education
23 endowment shall be placed in a separate account within the principal
24 of the permanent fund, and shall be invested as required by law for
25 permanent fund investments. Income from the education endowment may
26 only be appropriated to fund public elementary and secondary education
27 in Alaska. Income that is not appropriated shall be placed annually
28 in the principal of the education endowment.

29 SECTION 18. EDUCATION ENDOWMENT FUNDING. After January 1, 1991,

1 at least forty percent of the income of the permanent fund, not in-
2 cluding the income of the education endowment, shall be placed
3 annually in the education endowment. Income of the education endow-
4 ment may not be appropriated by the legislature before July 1, 2003.

5 SECTION 19. REPEAL. Section 18 of this article is repealed
6 July 1, 2005, unless the legislature, by the affirmative vote of a
7 majority of the membership assembled in joint session, extends Section
8 18 for a period not beyond June 30, 2010.

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

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 CS FOR HOUSE JOINT RESOLUTION NO. 13 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Proposing amendments to the Constitution
6 of the State of Alaska creating a perma-
7 nent endowment for education.

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 pro-
13 vided in Sections 15, 17, and 18 [SECTION 15] of this article or when
14 required by the federal government for state participation in federal
15 programs. This provision shall not prohibit the continuance of any
16 dedication for special purposes existing upon the date of ratification
17 of this section by the people of Alaska.

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

20 SECTION 17. EDUCATION ENDOWMENT. There is established an educa-
21 tion endowment to finance public education. The education endowment
22 is part of the principal of the Alaska permanent fund. The education
23 endowment shall be placed in a separate account within the principal
24 of the permanent fund, and shall be invested as required by law for
25 permanent fund investments. Income from the education endowment may
26 only be appropriated to fund public elementary and secondary education
27 in Alaska. Income that is not appropriated shall be placed annually
28 in the principal of the education endowment.

29 SECTION 18. EDUCATION ENDOWMENT FUNDING. After January 1, 1991,

1 at least forty percent of the income of the permanent fund, not in-
2 cluding the income of the education endowment, shall be placed
3 annually in the education endowment. Income of the education endow-
4 ment may not be appropriated by the legislature before July 1, 2003.

5 SECTION 19. REPEAL. Section 18 of this article is repealed
6 July 1, 2005, unless the legislature, by the affirmative vote of a
7 majority of the membership assembled in joint session, extends Section
8 18 for a period not beyond June 30, 2010.

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