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SENATE FINANCE COMMITTEE REPORT

DATE: 5/8/90

FURTHER:

DATE TURNED INTO OFFICE: 5/8/90

The Finance Committee considered

CSHJR 13 (Finance)

Amendments to the Constitution of the State of Alaska creating a permanent endowment for education

and recommended:

replace with _____ CS
 or adopt _____ CS

CSHJR 13 (Tud)

same title
 new title
 technical title change (HB only)

attached amendment(s)

_____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

Dept/Date:

fiscal note(s) Gov. Elections 2.2

zero fiscal note(s) _____

APPROVES PREVIOUS:

Dept/Date:

fiscal note(s) _____

zero fiscal note(s) _____

appropriation-no fiscal note

SIGNING DO PASS:

J. Danca
~~_____~~

OTHER RECOMMENDATIONS:

Peace - No Rec
Paul G. Shauff No Rec
Alton no rec
Dan Gruber (Do not pass unless permanent fund is OK)

John S. ...

Co-Chairs, Signatures and Recommendations

LET THE PEOPLE DECIDE, IT'S THEIR MONEY.

FISCAL NOTE

REQUEST:

Revision Date: 5/8/90
Title: Proposing amendments to the Constitution of the State of Alaska
Sponsor: Rules/Governor
Requestor: Governor

Agency Affected: Office of the Governor
BRU: Division of Elections
Components: 11 - Elections

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	2.2*	-0-	-0-	-0-	2.2*	-0-
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	2.2*	-0-	-0-	-0-	2.2*	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

* Costs included cover 2 to 3 pages in each Official Election Pamphlet, for printing and typesetting, and costs estimated to cover computer programming requirements for vote counting purposes.

Prepared by: Linda Edgeworth Phone: 465-3520
Division: Office of the Governor Date: 5/8/90

Approved by Commissioner: *Loren Berka* Date: 5/8/90
Agency: Office of the Governor

Distribution (by preparer):

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

Original sponsor(s): Rules/Governor

1 IN THE HOUSE BY THE JUDICIARY COMMITTEE
2 SENATE CS FOR CS FOR HOUSE JOINT RESOLUTION NO. 13 (Judiciary)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - SECOND 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, Constitution of the State of Alaska, is amend-
10 ed by adding a new section to read:

11 SECTION 17. EDUCATION FUND. There is established an education
12 fund to endow public education. The education fund shall be invested
13 as required by law for permanent fund investments. Income from the
14 education fund may be appropriated only to finance public elementary
15 and secondary education in the State. Notwithstanding Section 7 of
16 this article, annual income that is not appropriated shall be retained
17 in the principal of the education fund.

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

20 SECTION 29. EDUCATION FUND DEPOSITS. After January 1, 1991,
21 forty percent of the income of the permanent fund shall be placed
22 annually in the education fund. Deposits shall be made annually
23 through December 31, 2005. Deposits made under this section are not
24 subject to the prohibition on dedicated funds under Section 7 of
25 Article IX.

26 SECTION 30. RECONSIDERATION OF EDUCATION FUND DEPOSITS. If the
27 1990 amendment establishing education fund deposits (art. XV, sec. 29)
28 is adopted, the lieutenant governor shall cause the ballot proposition
29 for the amendment to be placed on the ballot again at the general

1 election in 1994. If the amendment is rejected by a majority of those
2 voting on the proposition in 1994, the amendment shall be repealed.

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

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR.
JUNEAU

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 black ink, appearing to read "Steve Cowper".

Steve Cowper
Governor

FISCAL NOTE

REQUEST:

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

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 "H. Malone", is written in the right-center portion of the page.