

HB

547

REPRESENTATIVE TOM MOYER

DISTRICT 19 • 119 N. CUSHMAN ST., SUITE 203 • FAIRBANKS, AK 99701 • (907) 456-8161
International Trade & Tourism, Chair • State Affairs, Vice Chair • Resources, Member

MEMORANDUM

To: ✓ Representative Pat Carney, Co-Chair
Representative Georgianna Lincoln, Co-Chair
Health, Education, & Social Services Committee

From: Representative Tom Moyer

Date: February 19, 1992

Re: HB 547, Governor's Public Policy Chair, and HB 548,
Appropriation for U of A Endowment Trust Funds

With this memo, I respectfully request a hearing date as soon as possible for House Bill 547, which seeks to establish an endowed chair at the University of Alaska in tribute to contributions made by past governors, and for House Bill 548, which would provide funding for the governors public policy chair, and for the existing Robert B. Atwood journalism chair at UAA.

I look forward to discussing the merits of this legislation with you at the earliest possible date. Thank you in advance for your consideration. Backup is forthcoming.

ALASKA STATE LEGISLATURE • P.O. Box V • JUNEAU, AK 99811 • (907) 465-4930

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University of Alaska

Statewide System

HB 547/548 Establishment of Endowed Chairs at the University of Alaska

INTRODUCTION

The complete, and usually perpetual, funding of specific faculty positions, usually referred to as "chairs", is a vital part of any university's growth and development. Such support is important because it provides the assurance that such positions, and the research and teaching they make possible, will exist despite changes in funding priorities by the institution or by government appropriations. Chairs are also excellent opportunities for major donors or legislatures to attribute the name of a prominent private or public figure with a specific academic discipline in perpetuity.

Holders of chairs are selected from among nationally renowned individuals in specific disciplines and occupy the chair for periods ranging from one to five years. Selection is accomplished by a committee established for the purpose by the President and/or Chancellor with representation by members of the discipline supported by the chair. Since holders of chairs are accomplished academic or public figures, and since they change every few years, chairs provide an important infusion of new ideas and high quality teaching and research into the university. This high quality in turn attracts better junior faculty as well as graduate students eager to pursue their academic careers under a prestigious chair holder.

FUNDING LEVEL FOR ENDOWED CHAIRS

In 1988, the Board of Trustees of the University of Alaska Foundation, which manages the endowment funds of the University of Alaska, established the level for an endowed chair at \$1,500,000 to \$2,000,000. The variation depends on the discipline of the chair, and the level of support necessary.

The University of Alaska Foundation's investment policy stipulates that the annual spendable income of an endowment fund shall be equal to 5.5% of the June 30 market value of the endowment. Any earnings in excess of this amount are returned to the principal to insure that future earnings will keep pace with inflation. The 5.5% figure is a national norm for such endowment earnings distributions. A \$2,000,000 endowment earns \$110,000 per year and a \$1,500,000 endowment earns \$82,500 per year.

contact: Wendy Redman, Vice President
University Relations

Position Paper

PUBLIC/PRIVATE MATCH

The endowments established in HB 547 and HB 548 are premised on a match of public and private funds.

In the case of the Robert B. Atwood Chair in Journalism, it is our intention that private fundraising will account for \$1,000,000 to match the \$500,000 appropriated by the state. In the case of the Governor's Chair in Public Policy, it is our intention that private fundraising will account for \$500,000 to match the \$1,000,000 appropriated by the state. Our intention is that named chairs will be established with a 2:1 ratio of private to state funding like that proposed for the Atwood Chair. The Governor's Chair is an exception because of the nature of the chair does not involve an individual donor, nor it is named for a specific individual.

In order to most effectively use the state funding included in HB 548 as an incentive for securing private donations, it is the recommendation of the University that the funds be held in an account by the state until such time as the private donations have been received.

ROBERT B. ATWOOD CHAIR IN JOURNALISH

The Atwood Chair in Journlism has become nationally renowned as a chair for the outstanding journalists from around the nation. The faculty who have served in this position have contributed substantially to the establishment of the highly regarded UAA Journalism program. Robert Atwood has been personally supporting this position for many years, and it is now our intention to permanently endow the position so that it may be maintained in perpetuity. Mr. Atwood is prepared to make a substantial personal donation to the endowment, and the balance of funding will be raised from private sources.

GOVERNORS CHAIR OF PUBLIC POLICY

The area of public policy is a major instructional and research interest at the University of Alaska. It has long been felt that the establishment of an endowed chair in public policy would provide a forum for a distinguished state leader to make contributions to the University and the State of Alaska. The idea of providing an academic position for distinguished public policy leaders, with preference for past state Governors, is particularly appropriate. This is a common form of endowed chair around the country, and would provide a substantial benefit to our students as they prepare for careers in the public sector.

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. HB547

Introduced: 2/18/92
 Title: UA Governor's Public Policy Chair

Department Affected: **UNIVERSITY OF ALASKA**
 BRU: ALL
 Component: ALL

Sponsor: Reps Moyer, Barnes
 Requestor: Rep Moyer

Component Serial No: ALL

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY93	FY94	FY95	FY96	FY97	FY98
OPERATING						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE FD SOURCE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER FUNDS						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: -0-

ANALYSIS (Attach additional pages as necessary)

The Implementation of HB547 is dependent upon the passage of the appropriation contained in HB548 and private donations.

Prepared by: Marsha Hubbard, Director
 Division: Statewide Budget Office

Phone: 474-7593
 Date: 2/28/92

Approved by: Brian Rogers, Vice President for Finance
 Agency: University of Alaska

Date: 2/28/92

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies)

