

SB

2550

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: April 4, 1996

FURTHER REFERRALS:

Date of Committee Action: 4/17/96

The FINANCE Committee considered:

CSSB 250(FIN) am

CS FOR SENATE BILL NO. 250(FIN) am

UNIV. OF ALASKA: LAND GRANT & ASSETS

“An Act relating to the University of Alaska and to assets of the University of Alaska; authorizing the University of Alaska to select additional state public domain land, designating that land as ‘university trust land,’ and describing the principles applicable to the land’s management and the development of its resources; and defining the net income from the University of Alaska’s endowment trust fund as ‘university receipts’ subject to prior legislative appropriation.”

recommends it be replaced the same title
 with the following committee substitute HCS CSSB 250 (FIN) a new title

additional referral to _____ Committee
 attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____

APPROVES PREVIOUS: (Day/Date) _____

fiscal note(s) _____

^{Senate}
 fiscal note(s) UA, DNR, REV, F-G
4/11 2/15/96

zero fiscal note(s) _____

zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<u>Richard (Joe) [Signature]</u>			X	
<u>[Signature] Mulder</u>	X			
<u>[Signature] Martin</u>	X			
<u>[Signature] Kelly</u>	X			
<u>[Signature] Theriault</u>	X			
<u>[Signature] Navarre</u>		X		
<u>[Signature] Brown</u>		X		
<u>[Signature]</u>			X	

CHAIR'S SIGNATURE [Signature] [Signature]

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Bill Version: CS SB 250CFIN

(S) Publish Date: 2/15/96

Revision Date
Title: An Act ...authorizing the University of Alaska to select additional
... university trust land
Sponsor: Frank
Requestor:

Department Affected: University of Alaska
BRU: Statewide Programs & Services
Component: Statewide Services

COMPONENT SERIAL NO.

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	170.0	170.0	170.0	170.0	170.0	170.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	170.0	170.0	170.0	170.0	170.0	170.0

CAPITAL						
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REVENUE FD SOURCE						
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FUNDING: (Thousands of Dollars)

1002 FEDERAL FUNDS						
1003 GF MATCH						
1004 GENERAL FUND						
1006 GF/MHTIA						
1048 University Receipts	170.0	170.0	170.0	170.0	170.0	170.0
TOTAL FUNDING	170.0	170.0	170.0	170.0	170.0	170.0

POSITIONS:						
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.) Costs identified include \$100.0 for land conveyance costs, which may include a contract with the Department of Natural Resources, and \$70.0 for management costs of the Lead Grant Trust Fund. Land conveyance costs could exceed this estimate if land conveyance can be done more quickly than is currently anticipated. Additional authority to cover those costs would be requested at that time. Management fees are based on the budget currently authorized for the Dept. of Revenue for the same function. Additional land will also generate additional revenue. However, we are unable to quantify the potential for revenue generation until we have specific identification of land selections.

Prepared by: _____
Division: Statewide Budget Office

Approved by: Marylou Burton, Director
Agency: Statewide Budget Office

Phone: 463-3086
Date: 2/12/96

Date: 2/12/96

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

FISCAL NOTE

No. 3
 Bill Version: CSSB 250(FIN)
 (S) Publish Date: 2/15/96

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Revision Date: Original Dept Affected Natural Resources
 Title: An Act relating to the University of Alaska and BRU: Resource Development
to assets of the University of Alaska; authorizing the... Component: Land Development
 Sponsor: Senator(s) Frank, Reiger, Kelly, Miller, Sharp
 Requestor: Senate Finance Component Serial No. 431

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES	67.0	67.0	67.0	67.0	67.0	67.0
TRAVEL	5.0	5.0	5.0	5.0	5.0	5.0
CONTRACTUAL	5.0	5.0	5.0	5.0	5.0	5.0
SUPPLIES	1.0	1.0	1.0	1.0	1.0	1.0
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	78.0	78.0	78.0	78.0	78.0	78.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
1007 I/A	78.0	78.0	78.0	78.0	78.0	78.0
TOTAL	78.0	78.0	78.0	78.0	78.0	78.0

Estimate of any current year (FY98) cost: \$ None

POSITIONS

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

This fiscal note is the minimum necessary for DNR to process land selections and conveyances to the University of Alaska. All costs for the conveyance work will be paid for by the University of Alaska using Interagency Receipts. This includes all costs of selection, conveyance, records notation, deed recordation, survey, etc.

* It is impossible to project the exact amount of revenue these conveyances will generate for the University, and will be lost to the state, without knowing exactly what lands will be transferred.

Prepared by: Ron Swanson Phone: 268-8503
 Division: Land Date: 9-Feb-96
 Approved by Commissioner: [Signature] Date: 9-Feb-96
 Agency: Natural Resources

Revision Date: February 9, 1996 Dept. Affected: Revenue
 Title: An act realloting to the Univ of Alaska and to the BRU: Revenue Operations
assets of the Univ of Alaska; Component: Treasury
 Sponsor: Senator Frank
 Requestor: Finance COMPONENT SERIAL NO. 121

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	-5.0	-5.0	-5.0	-5.0	-5.0	-5.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-5.0	-5.0	-5.0	-5.0	-5.0	-5.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	11.3	11.3	11.3	11.3	11.3	11.3
1005 GF/Program Receipts						
1001 CBRF	14.0	14.0	14.0	14.0	14.0	14.0
1048 University of AK receipts	(30.3)	(30.3)	(30.3)	(30.3)	(30.3)	(30.3)
TOTAL	-5.0	-5.0	-5.0	-5.0	-5.0	-5.0

Estimate of any current year (FY96) cost \$ _____

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

The Treasury Division currently manages the University of Alaska Trust Fund. This bill would transfer the \$35 million Trust to the University for management. The division's FY97 budget reflects the Trust Fund as a funding source for a share of the personal service costs and custodial costs of the division. There is also \$5.0 in investment management fees which are specific to the Trust Fund and will not be incurred by Treasury if the Trust Fund is transferred. The passage of this act will result in the loss of this funding source for the Division. As there will not be an equal offsetting reduction in expenditures, Treasury will need to increase its funding from other sources, primarily the general fund and CBRF, although minimal amounts may be allocable to other funds (less than \$1.0)

Prepared by: Betty Martin, Comptroller *Betty Martin* Phone: 465-2350
 Division: Treasury Date: February 9, 1996
 Approved by Commissioner: Ross Kinney, Deputy Commissioner *Ross Kinney* Date: February 14, 1996
 Agency: Department of Revenue

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FISCAL NOTE

No. 1

Bill Version: CS SB 250 (Fin)

(S) Publish Date: 2/15/96

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Revision Date: _____
Title: Increase Land Grant to University of Alaska

Dept. Affected: Fish and Game
BRU: Habitat and Restoration
Component: Habitat Protection

Sponsor: Senator Frank
Requester: Senate Finance

COMPONENT SERIAL NO. 2100

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 100	FY 01	FY 02
PERSONAL SERVICES	60.0	60.0	60.0	60.0	60.0	60.0
TRAVEL	1.6	1.6	1.6	1.6	1.6	1.6
CONTRACTUAL	1.0	1.0	1.0	1.0	1.0	1.0
SUPPLIES	0.5	0.5	0.5	0.5	0.5	0.5
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	63.1	63.1	63.1	63.1	63.1	63.1

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	63.1	63.1	63.1	63.1	63.1	63.1
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	63.1	63.1	63.1	63.1	63.1	63.1

Estimate of any current year (FY96) cost: \$ 0.0

POSITIONS

FULL-TIME	1	1	1	1	1	1
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

The Department of Fish and Game will require approximately one-half full time equivalent for a Habitat Biologist to review 500,000 acres or more of university land selections and advise the Department of Natural Resources and the legislature on the effects of university conveyance on fish and wildlife resources, public uses of fish and game; and potential impacts on designated state game refuges, critical habitat areas, and game sanctuaries. Additionally, as university land conveyances are made, existing state land management plans and special area plans will need to be revised to reflect the changes in ownership and land management. This will require approximately one-half full time equivalent Habitat Biologist to advise DNR on the their land use plans and to revise the department's special area plans.

Prepared by: Janet Kowalski
Division: Habitat and Restoration

Phone: 267-2334
Date: 2/13/96

Approved by Commissioner: [Signature]
Agency: [Signature]

Date: 2.14.96

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Bristol Bay CRSA
P.O. Box 849
Dillingham, AK. 99576
Phone: (907) 842-2666

April 11, 1996 **TESTIMONY VIA FAX**

TO: Representative Mark Hanley, Co-Chair
Representative Richard Foster, Co-Chair
House Finance Committee Members

FROM: Susan Flensburg, Program Director
Bristol Bay Coastal Resource Service Area (CRSA) Coastal Management Program

RE: HOUSE CS FOR CS FOR SENATE BILL 250
Short Title: University of Alaska Land Grant and Assets

Thank you Co-Chairmen and Committee Members for the opportunity to testify via fax on the University of Alaska Land Grant bill. I sat through the House Finance Committee (HFC) hearings held yesterday afternoon and again this morning waiting to testify on this bill. I found out a short while ago that the Dillingham LIO can not be hooked up to the HFC meeting this afternoon because the ports to link up off-site areas are full. I am sure you can understand my frustration as I won't have the chance to directly address the committee about our concerns and respond to questions or clarification of our comments, if asked by committee members.

My testimony will be brief as there is not the time to fully elaborate on our concerns with this bill. For the record, my name is Susan Flensburg. I am the Program Director for the Bristol Bay CRSA Coastal Management Program and I am testifying on behalf of our elected board. There are eleven (11) communities in our coastal district, including the City of Dillingham (largest city in Bristol Bay), that are represented on the Bristol Bay CRSA Board.

The majority of land within our coastal district is owned by the State and managed by the Department of Natural Resources (DNR). There are two major adopted state land use plans in effect for our area that provide management intent and guidelines for how state lands are to be managed. The first is the **Bristol Bay Area Plan (BBAP)**, which also includes state land classifications and use designations for multiple uses. The second is the **Nushagak Mulchatna Rivers Recreation Management Plan (NMRMP)**, which was cooperatively developed and prepared by the Departments of Natural Resources and Fish and Game, and the Bristol Bay CRSA. This plan functions both as a land use plan for the Department of Natural Resources and special coastal management plan for our coastal district. **Both plans underwent a full agency and public review process to address the issues and concerns raised by state agencies, local residents and other users, including the private sector, from around the state.**

Our foremost concern with this bill is that it totally casts aside both plans (BBAP and

BBCRSA Testimony on HC Substitute for CS SB250 (HFC)

April 11, 1996

NMRRMP) and does not provide for any meaningful public review process or "best interest finding determination" under Title 38 (Public Lands) to identify non-legislatively designated state general lands that may be suitable for selection and conveyance to the University. This concern is based on Section 8(e) in the bill (page 9 in the current draft) which states:

"In conveying land to the University of Alaska under this section, the commissioner of natural resources shall give public notice under AS 38.05.945(b)&(c) and provide for access under AS 38.05.127, but other provisions of AS 38.04 and AS 38.05 do not apply." (emphasis added)

The last part of the sentence highlighted in bold includes, among other things, state land use plans adopted under AS 38.04 and the state's "best interest finding determination" process under AS 38.05.035(e). **This means that adopted state land management plans will have absolutely no bearing on the list of lands to be selected and could not be considered even if there was a 38.05.035 Best Interest Finding Determination required, which Section 8(e) also specifically excludes. The public notice requirement under 38.05.945(b)&(c) does not address this concern either as this provision leaves out 38.05.945(a), which refers to public notice of and the opportunity to comment on decisions to reclassify state land and best interest finding determinations on disposals of state land.**

We previously testified before the House Resources Committee (HRC) about our concerns with Section 8(e) in an earlier draft of the bill. Wendy Redman, lobbyist for the University land grant bill, when asked by the committee to respond to our concerns said that DNR is bound by Title 38 to prepare a "best use determination". This may be the intent but it surely isn't reflected anywhere in the bill. The HRC also suggested that I also contact Representative Therriault's office as he was the primary sponsor of the bill in the House. I called the next day and was advised by his staff to contact Wendy Redman as she is the "expert and contact" for this bill. I talked to Wendy a few days later who assured me that a state "best interest determination" is required for University selections and that this determination would be based on lands that are available through existing land use plans. Wendy also said that she would look further into the concerns we raised.

Expressions of intent are useful and nice but mean nothing if they are not reflected in the bill. No one has been able to point out where this intent is expressly stated in the bill nor has there been any movement to address our concerns. **Section 8(e), which is the appropriate section to address these concerns, continues to include the exact same language that was in the original House and Senate versions of this bill.**

Our experience to date with the proceedings on this bill has eroded our faith in the legislative process. In regards to the University of Alaska, it does nothing to reassure local residents and other users of state general land, who will be directly impacted by the development and sale of lands conveyed to the University, that this institution cares about or is willing to address our

BBCRSA Testimony on HC Substitute for CS SB250 (HFC)

April 11, 1996

concerns Thank you for the opportunity to submit our testimony by fax

cc: Governor Knowles
Representative Ivan
Senator Hoffman
Jane Angvik, DNR DOL Director
Wendy Redman, University of Alaska

Adopted -

9-LS1394R.3
Chenoweth
4/15/96

AMENDMENT New #1

OFFERED IN THE HOUSE

TO: HCS CSSB 250(RES)

1 Page 3, lines 10 and 11:

2 Delete "selected by the University of Alaska and conveyed to it"

3 Insert "conveyed to the Board of Regents"

4 Page 4, line 2:

5 Delete "selected by and"

6 Page 4, line 31, through page 5, line 1:

7 Delete "selected by and"

8 Page 7, line 28, following "less.":

9 Insert "A list may identify land in excess of the amount of acreage set out in (a) of
10 this section, but the amount of land identified on the list may not exceed by more than 25
11 percent in total acreage the amount of acreage to which, on the date of submission of the list
12 to the legislature, the university has not received title under this section. If, on a list
13 presented to the legislature under this section, the amount of land to be conveyed exceeds the
14 balance due the university under this section, the university shall set out the land to be
15 conveyed in priority order, and thereafter, when the university receives conveyance of title
16 to land, the commissioner shall reduce the excess acreage by striking from the list the land
17 that has the lowest priority, and shall continue to strike acreage from the list until the list of
18 land to be conveyed does not exceed by more than 25 percent in total acreage the amount of
19 acreage to which the university has not received title under this section."

20 Page 8, line 1:

21 Delete "selected by" ~~the~~

1 Insert "approved by the legislature for conveyance under (b) of this section"

2 Page 8, lines 11 and 12:

3 Delete "selected by the University of Alaska"

4 Insert "approved by the legislature for conveyance under (b) of this section"

5 Page 8, lines 15 - 17:

6 Delete "or, when approval of the list is based on the legislature's inaction under (b)
7 of this section, after the 60th day following the date on which the list was submitted to the
8 legislature"

9 Insert "under (b) of this section"

10 Page 8, line 21:

11 Delete "selection by the University of Alaska"

12 Insert "submission of the list to the legislature under (b) of this section"

13 Page 10, line 24:

14 Delete "selected and"

15 Page 11, line 7:

16 Delete "selections made"

17 Insert "conveyed"

18 Page 12, line 3:

19 Delete "selected by and"

20 Page 12, line 21, after "(a)", through page 12, line 25:

21 Delete all material.

22 Insert "For land conveyed to the University of Alaska under AS 14.40.365, the
23 University of Alaska shall, before conveying or disposing of an interest in the land to a third
24 party, manage the land in a manner that permits customary and traditional uses of the
25 resources, including hunting, fishing, and recreational opportunities, of that land to the

- 1 maximum extent possible."
- 2 Page 13, line 14:
- 3 Delete "selected by and"

STEVE FRANK

119 N. Cushman, Rm. 213
Fairbanks, Alaska 99701
(907) 452-3421

Alaska State Legislature



Senate

While in Juneau
P.O. Box V
Juneau, Alaska 99811
(907) 465-3709
Capitol Rm. 417

Sponsor Statement - Senate Bill No. 250

"An Act relating to the University of Alaska and to assets of the University of Alaska; authorizing the University of Alaska to select additional state public domain land, designating that land as 'university trust land', and describing the principles applicable to the land's management and the development of its resources; and defining the net income from the University of Alaska's endowment trust fund as 'university receipts' subject to prior legislative appropriation."

SB 250 would allow the University of Alaska to select 350,000 acres of unencumbered land from the State of Alaska. In this era of declining state funds, endowing the university with additional lands will allow it to develop those lands to produce income for university programs.

Under the Congressional Morrill Act of 1862, each state was entitled to receive a grant for public lands, the income from which would provide the financial base of operation for at least one college or university. The University of Alaska received about 112,000 acres of land, less than any other western public land state and less than the national average entitlement of over 300,000 acres. Some universities in states with much smaller state land grants, such as New Mexico and Oklahoma, have received up to one million acres.

An additional grant of land would bring Alaska up to the level of other western states and follows through with the original purpose of land grant colleges.

This legislation passed both houses last year and was subsequently vetoed by the Governor. We have worked closely with the administration to make changes to the bill that address their concerns.

University of Alaska

Statewide System

CSSB 250 EXPANDING UNIVERSITY OF ALASKA LAND GRANT

By Senators FRANK, Reiger, Kelly, Miller, Sharp

The University of Alaska is called a "Land Grant University" in the tradition of American land grant universities, providing teaching, research and public service to the people of Alaska. While the University has attempted to mold itself in the land grant tradition, one piece of that tradition is lacking -- a sufficient land grant.

In 1915, Congress provided a land grant of approximately 250,000 acres -- every section 33 in the Tanana Valley -- to support the Territorial Agricultural College and School of Mines, together with a site for the institution itself. In 1929 Congress granted an additional 100,000 acres of public lands for the use and benefit of the Agricultural College and School of Mines.

In 1959, the Alaska Statehood act extinguished the University's right to receive the unsurveyed sections 33 of the Tanana Valley, leaving the University with 100,000 acres. Congress so acted because its land grant to the state was by far the most generous of all state land grants. Supporters of the extinguishment said the state clearly was receiving enough land that it could provide necessary land to support the University. The State of Alaska has never kept this moral obligation to the University of Alaska.

Forty-nine of the states received land grants to support their universities. In all but one, the universities received more land than the University of Alaska, notwithstanding the fact that Alaska's state land grant is 16 times the size of the average state land grant. In eighteen of the lower 48 states, the entire federal land grants -- 100% -- went to support the universities. In Alaska, less than one percent -- 0.11% -- went to the University.

The State of Alaska did not manage what land the University received well. In 1978, following legislative appropriation of the University's most valuable acreage, the University sued, eventually winning a legislative settlement that reconstituted the University land trust. Later litigation brought replacement land for the legislatively-appropriated acreage. The University's total land grant holdings today total 140,000 acres. Still, nearly 50,000 acres of limited timber cutting rights west of Icy Bay remains tied up in litigation.

Alaskans look to the University of Alaska to provide for some of its financial needs by earning income from the federal land grant, yet Alaskans do not realize the paucity of lands managed by the university.

If the University of Alaska received the average percentage of the total federal grant to the state -- 42.01% of the State of Alaska grant -- the University would be managing 43 million acres, and would probably need no further state support. If the University of Alaska received a proportional share of the total federal grant to universities -- 5.09% of the State of Alaska grant -- the University would be managing 5.3 million acres. Even bringing the University of Alaska's federal grant up to the average of the smaller states -- 340,000 -- would triple the size of the University's federal grant.

Passage of this legislation will allow expansion of the University of Alaska land grant, and allow the University to generate additional revenue in support of its programs. The lands would be responsibly managed to generate income. The University is currently involved in a wide range of projects including commercial leasing, development and sale of residential and remote subdivisions, oil and gas lease sales, timber and gravel sales and mineral leasing.

contact:

Wendy Redman
University Relations
463-3086/474-7582

State Land Grant Rankings

Ranked by the amount of federal land given to Higher Education	
1 New Mexico	1,346,546
2 Oklahoma	1,050,000
3 New York	990,000
4 Arizona	849,197
5 Pennsylvania	780,000
6 Ohio	699,120
7 Utah	556,141
8 Illinois	526,080
9 Indiana	436,080
10 Montana	388,721
11 Idaho	386,686
12 Alabama	383,785
13 Missouri	376,080
14 South Dakota	366,080
15 Massachusetts	360,000
16 Mississippi	348,240
17 Washington	336,080
18 North Dakota	336,080
19 Wisconsin	332,160
20 Kentucky	330,000
21 Tennessee	300,000
22 Virginia	300,000
23 Iowa	286,080
24 Michigan	286,080
25 Georgia	270,000
26 North Carolina	270,000
27 Louisiana	256,292
28 Minnesota	212,160
29 Maine	210,000
30 Maryland	210,000
31 New Jersey	210,000
32 California	196,080
33 Arkansas	196,080
34 Florida	182,160
35 Connecticut	180,000
36 South Carolina	180,000
37 Texas	180,000
38 Kansas	151,270
39 New Hampshire	150,000
40 Vermont	150,000
41 West Virginia	150,000
42 Colorado	138,040
43 Oregon	136,165
44 Nevada	136,080
45 Nebraska	136,080
46 Wyoming	136,080
47 Rhode Island	120,000
48 Alaska	112,064
49 Delaware	90,000
50 Hawaii	0
TOTAL	16,707,787

Average 334,156

Ranked by the percentage of the state grant given to Higher Education	
1 New York	100.00%
2 Pennsylvania	100.00%
3 Massachusetts	100.00%
4 Tennessee	100.00%
5 Virginia	100.00%
6 Georgia	100.00%
7 North Carolina	100.00%
8 Maine	100.00%
9 Maryland	100.00%
10 New Jersey	100.00%
11 Connecticut	100.00%
12 South Carolina	100.00%
13 Texas	100.00%
14 New Hampshire	100.00%
15 Vermont	100.00%
16 West Virginia	100.00%
17 Rhode Island	100.00%
18 Delaware	100.00%
19 Kentucky	93.06%
20 Oklahoma	33.92%
21 Ohio	25.34%
22 Washington	11.04%
23 Indiana	10.79%
24 South Dakota	10.66%
25 North Dakota	10.62%
26 New Mexico	10.52%
27 Idaho	9.09%
28 Illinois	8.44%
29 Arizona	8.05%
30 Alabama	7.67%
31 Utah	7.41%
32 Montana	6.52%
33 Mississippi	5.71%
34 Missouri	5.07%
35 Nevada	4.99%
36 Nebraska	3.93%
37 Iowa	3.55%
38 Wisconsin	3.26%
39 Wyoming	3.13%
40 Colorado	3.09%
41 Michigan	2.36%
42 Louisiana	2.24%
43 California	2.22%
44 Kansas	1.94%
45 Oregon	1.94%
46 Arkansas	1.64%
47 Minnesota	1.29%
48 Florida	0.75%
49 Alaska	0.11%
50 Hawaii	0.00%
TOTAL	5.09%

Average 42.01%

Ranked by the amount of federal land given to the States	
1 Alaska	104,569,251
2 Florida	24,214,366
3 Minnesota	16,422,051
4 New Mexico	12,794,718
5 Michigan	12,142,846
6 Arkansas	11,936,834
7 Louisiana	11,441,343
8 Arizona	10,543,753
9 Wisconsin	10,179,804
10 California	8,825,508
11 Iowa	8,061,262
12 Kansas	7,794,669
13 Utah	7,501,737
14 Missouri	7,417,022
15 Oregon	7,032,847
16 Illinois	6,234,655
17 Mississippi	6,097,997
18 Montana	5,963,338
19 Alabama	5,006,883
20 Colorado	4,471,604
21 Wyoming	4,342,520
22 Idaho	4,254,448
23 Indiana	4,040,518
24 Nebraska	3,458,711
25 South Dakota	3,435,373
26 North Dakota	3,163,552
27 Oklahoma	3,095,760
28 Washington	3,044,471
29 Ohio	2,758,862
30 Nevada	2,725,226
31 New York	990,000
32 Pennsylvania	780,000
33 Massachusetts	360,000
34 Kentucky	354,607
35 Tennessee	300,000
36 Virginia	300,000
37 Georgia	270,000
38 North Carolina	270,000
39 Maine	210,000
40 Maryland	210,000
41 New Jersey	210,000
42 Connecticut	180,000
43 South Carolina	180,000
44 Texas	180,000
45 New Hampshire	150,000
46 Vermont	150,000
47 West Virginia	150,000
48 Rhode Island	120,000
49 Delaware	90,000
50 Hawaii	0
TOTAL	328,426,536

Average 6,568,531

FACT SHEET

CSSB 250 (FIN) - Enhancing UA Land Grant

SB 250 is similar to SB 16 that passed the Alaska Legislature in the first session of the Nineteenth Alaska Legislature and was subsequently vetoed by Governor Knowles. The bill is intended to grant 500,000 acres of state land to the University of Alaska to provide income to support the research, instructional and public service programs of the state's public land grant university. The current University of Alaska land grant is 112,000 acres; only Delaware, with 90,000 acres, has a smaller university land grant than Alaska.

In 1915, the University was granted 250,000 acres to support the programs of the university. This land grant, which had not been conveyed pending survey, was extinguished at the time of statehood with the assumption that the state would fulfill the commitment from the conveyance of over 100 million acres in undesignated federal lands. The First Alaska Legislature appropriated 1 million acres to establish the University of Alaska land grant. Governor Bill Egan vetoed that appropriation because he believed that the state's lands could, and should, be managed by the Department of Natural Resources for the benefit of all Alaskans. In keeping with this philosophy, the Department of Natural Resources retained the management of the 100,000 acres of existing University lands for the next 30 years. While Governor Egan's rationale may have made sense in the optimistic dawn of statehood, the fact is that DNR has never had the resources necessary to manage the vast inventory of state lands. During the 30 years that DNR managed the University lands, \$590,000 in income was generated. In 1986, the University successfully sued the state to regain the management of its lands and in the ensuing eight years has generated over \$30 million in revenue. These funds have gone into a Land Grant Trust Fund, established in statute, to provide a perpetual fund to support public post-secondary programs for the people of Alaska.

SB 250 will provide that:

1. 500,000 acres of state land will be conveyed to the University of Alaska by the year 2016. [Page 6, Sec. 8 (a)]
2. the Department of Natural Resources will determine what lands are available for conveyance based on their determination of what is in the best interests of the state. [Page 7, Sec. 8 (b)]
3. the University will not be allowed to sue the state over disagreements relating to conveyance; all disputes will be resolved by the Governor. [Page 7, Sec. 8 (b), lines 9-11]
4. municipal land selections will have priority. [Page 7, Sec. 8 (b), lines 7-9]
5. land transfers are subject to:
 - * Forest Practices Act
 - * 6(l) of Alaska Statehood Act
 - * Permanent Fund requirements for oil, gas and mineral royalties and bonuses
 - * Other rights of the state [Page 9, Sec. 8 (f)]
6. the University pays the costs of land conveyance and surveying. [Page 9, Sec. 8 (g)]
7. existing leases and encumbrances will be honored throughout the term, including any

7. existing leases and encumbrances will be honored throughout the term, including any provisions for lease extensions. [Page 11, Sec. 9, lines 6-25]
8. the legislature approves final selections in lists of not less than 25,000 acres. [Page 7, Sec. 8 (b)]
9. customary and traditional uses of resources on UA land, including hunting and fishing, will be permitted to the maximum extent practicable. [Page 11, Sec. 9, lines 26-31]
10. additional requirement for UA regarding public notification and comment on land management plans. [Page 10, Sec. 9, lines 22-31 and Page 11, lines 1-5]
11. the responsibility for the management of the UA Land Grant Trust Fund be transferred from the Department of Revenue to the University of Alaska. [Page 2, Sec. 3; Page 4, Sec. 5, and Page 12, Sec. 11 & Sec. 12]
12. net income from University trust lands will be designated as "university receipts" and appropriated by the Legislature. [Page 13, Sec. 13, lines 6-7]
13. proceeds made on land, originating after selection, but prior to final conveyance, from land leases, license, contracts, claims, sales, permits, prospecting sites, or rights of way will be held in escrow. Upon final conveyance, 90% of the proceeds will be distributed to the University. [Page 8, Sec. 8 (c)(2)]
14. proceeds on land selected and conveyed that is subject to a possessory interest at the time of conveyance, shall be split evenly between the state and the University until the conclusion of the interest, including all available renewals. [Page 11, Sec. 9, lines 6-2]
15. proprietary information provided by private companies is protected. [Page 6, Sec. 7(b), lines 6-24]
16. process for foreclosure if a contract for a sale of land, or interest in land is breached. [Page 5, Sec. 7(e), lines 10-31 and Page 6, lines 1-5]

During the First Session of the Nineteenth Legislature, SB 16 had six substantive hearings in the House and Senate. During this, the Second Session, SB 250 has had one hearing in Senate Finance. The changes to the bill include:

Senate Finance Committee

- * provides that no lands can be conveyed that have been selected by municipalities under the Municipal Entitlement Act.
- * provides that all disagreements between the University and DNR regarding the selection of lands for conveyance will be made by the Governor.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

April 3, 1996

SUBJECT: HCS CSSB 250 (Resources) (Work Order No. 9-LS1394\R)

TO: Representative Joe Green, Co-Chair
House Resources Committee

FROM: Jack Chenoweth
Legislative Council

I appreciate that the House Resources Committee has passed the bill out, but there are some necessary changes to the amendments inserted by the committee that I have incorporated. They are, I believe, not inconsistent with the committee's additions.

I made the two insertions made to page 8, line 30--here, AS 14.40.365(d)--and page 10, line 22--here, AS 14.40.366(a)(1)--read the same, i.e. "subject to the terms and conditions" in both places.

In AS 14.40.366(b)(2), I inserted a second reference to "rent and royalty schedules." I also tweaked the language at the first place it is inserted to make it fit in context.

What was proposed as a new AS 14.40.365(k) appears as a new last bill section.

The amendment set out at the end of AS 14.40.365(b) makes no sense--what happens if the legislature neither approves or disapproves--but it is in there. The suggested text mentioned "first regular session" which I thought could mean just the sessions in the odd-numbered year, so I have revised it to read "end of the regular legislative session." I hope that is correct and that odd-numbered year was not the intent.

The suggested language of the very last amendment wholly ignores the legislature's careful attempts to reconstitute the mental health trust. I've revised the material provided in light of my understanding of what the legislature did. The last clause--based on the draft's reference to the nebulous "Alaska Mental Health Lands Trust Settlement"--necessitated some attention--please look at my reworking of the language--but I caution that it is so vague as to fairly invite litigation as to its meaning.

Again, I trust this meets the committee's objectives.

JBC:pl
96-108.plm

HOUSE COMMITTEE REPORT

4/4/96
 Finance

Date Referred to Committee: March 27, 1996

FURTHER REFERRALS:

Date of Committee Action: 4-3-96

The RESOURCES Committee considered:

CSSB 250(FIN) am

CS FOR SENATE BILL NO. 250(FIN) am

UNIV. OF ALASKA: LAND GRANT & ASSETS

"An Act relating to the University of Alaska and to assets of the University of Alaska; authorizing the University of Alaska to select additional state public domain land, designating that land as 'university trust land,' and describing the principles applicable to the land's management and the development of its resources; and defining the net income from the University of Alaska's endowment trust fund as 'university receipts' subject to prior legislative appropriation."

recommends it be replaced with the following committee substitute HCS CSSB 250 (RES) the same title a new title

additional referral to _____ Committee
 attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____ APPROVES PREVIOUS: (Dept/Date) _____
 fiscal note(s) _____ ^{Senate} fiscal note(s) U of A 2-15-96 / DNR 2-15-96
 Rev 2-15-96 / FAG 2-15-96

zero fiscal note(s) _____ zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
	Nicholia Davies	✓			
	Long	X		X	
	Kott			X	
	Gusterman			X	
	Ogan			X	
	Green			X	
		(2)		(5)	

CHAIR'S SIGNATURE

Green



ALASKA CENTER *for the* ENVIRONMENT

519 West 8th Avenue, Suite 201 • Anchorage, Alaska 99501
(907) 274-3621 • fax: 274-8733

SB 250 DISPOSAL OF LAND TO THE UNIVERSITY

The Alaska Center for the Environment opposes SB 250, which would transfer to the University of Alaska 350,000 acres of yet to be identified multiple use public land to be used for the single purpose of generating the maximum amount of revenue for the university's operations.

**** ACE and other conservation organizations strongly support the university.** However, the university, like other important public institutions, facilities, programs, and services should continue to be funded through the normal annual appropriations process rather than further fragmenting Alaska's land ownership and management patterns. The university is no more entitled to a dedicated source of revenue than is any other state entity.

**** In fact, gratuitously transferring land to the university is probably illegal as a violation of the dedicated fund prohibition in the state constitution.** Even if it's not illegal, it runs counter to the wise policy adopted by our founding fathers. At the very least it creates a *de facto* dedicated fund or entitlement that effectively ties the hands of both the legislature and the general public during the appropriations process and in land management, and that forecloses funding and land management options for the future. Finally, it would seem to invite litigation that could threaten the mental health lands settlement that was finally achieved after nearly a decade of costly lawsuits and negotiations (although we believe the two situations can be distinguished).

**** That the university was established decades ago as a land grant university is irrelevant; the most sensible way to fund it and other public programs in 1995 and in the foreseeable future is through annual appropriations.**

**** Public lands should remain in general public ownership so that all Alaskans can continue to participate in decisions affecting their use.** SB 250 exempts the land transferred to the university from virtually all of the public participation and resource protection requirements of the Alaska Lands Act (AS 38.04 and 38.05). It negates years of good faith public participation in state land use planning that resulted in decisions to retain most lands for fish and wildlife habitat, public recreation and a host of other purposes (including development).

**** The lands will no longer be managed for multiple public uses, such as fishing, hunting, and other public recreation, and the protection of fish and wildlife habitat, water quality, and scenic beauty (as well as for direct revenue generating purposes), but for revenue generation only—which will generally be incompatible with those other uses and also with industries like tourism and commercial fishing.**

**** The university will select the best and most valuable land leaving the poorer land to the public.**

**** Political opposition is substantial, and will only increase as lands to be transferred are actually identified on the ground. Attempts to compensate the mental health lands trust with large amounts of public land (some sort of reasonable compensation was mandated by the court in that instance; the university land dispute has already been settled) generated opposition, both in and out of court, not only from conservationists but also from sport and commercial fishers, hunters, other recreationists, subsistence users, recreational cabin owners, local residents, lodge owners, air taxi operators, the Anchorage Hotel/Motel Association, the oil and coal industries, the Alaska Miners Association, and the Resource Development Council (as well as mental health advocates who recognized that managing land was likely to create more headaches than revenue, and that in any case any revenue that might be generated would almost certainly result in an equal reduction in their General Fund support).**

**** Access to public lands traditionally used for fishing, hunting, trapping and many other recreational purposes will be lost or restricted after their transfer.**

**** Development on public lands transferred to the university will conflict with existing uses of private lands by neighboring landowners.**

4/10/96



ALASKA CENTER *for the* ENVIRONMENT

519 West 8th Avenue, Suite 201 • Anchorage, Alaska 99501
(907) 274-3621 • fax: 274-8733

April 10, 1996

House Finance Committee
Alaska State Legislature
State Capitol (MS 3100)
Juneau, AK 99801-1182

Re: SB 250 - University Land Disposal Bill.

Dear Committee Members:

Since I will not be able to attend this afternoon's hearing, we would like to submit this letter and the enclosed position paper for the record and your consideration.

We are strong supporters of higher education in general and the University of Alaska in particular. We are very much opposed to SB 250, however--transferring multiple use public land to the university to be used for the single purpose of revenue generation is an inappropriate way to fund this important institution; yearly appropriation decisions are the way to fund not only the university but other worthwhile programs, services and facilities as well. SB 250:

- * is probably unconstitutional.
- * if not actually unconstitutional, violates the important public policy behind the dedicated fund prohibition, eliminating options for the future use of revenues
- * nullifies years of hard work and good faith public participation in land use planning
- * deprives the public of any significant role in the future management of the lands transferred to the university
- * reduces or eliminates long-standing public uses of the lands
- * creates conflicts for rural residents, remote cabin owners, and recreationists
- * allows the university to select the best remaining undesignated public lands, leaving the poorer lands for the public
- * "Son of mental health lands," this legislation would be a lightning rod for litigation; not only is it inherently controversial and unpopular, and probably unconstitutional, but it might very well result in a violation of the settlement to the Yakataga litigation.

Please vote NO on SB 250. Thank you for your consideration of these materials..

Sincerely,

Cliff Eames
Issues Director

SB 250 University of Alaska Lands Bill

SB 250 is similar to SB 16 that passed the Alaska Legislature in 1995 and was subsequently vetoed by Governor Knowles. The new bill contains several significant changes in response to concerns raised by the Department of Natural Resources and other constituencies:

1. The most significant change is the elimination of sections that directed which lands, and under what conditions the lands would be put up for possible conveyance. The new bill (in Sec. 8, Page 6) gives the Department of Natural Resources the control of what lands may be made available for conveyance based on their own best interest findings.
2. If there is disagreement between the University and the Department about lands available for conveyance, the disagreement must be submitted to the governor, who shall make the final decision (Section 8, Page 7, Lines 9-11). In other words, the University will not be allowed to enter into litigation against the Department regarding the conveyance process.
3. The new bill includes sections [Sec. 7, (e) (f) & (g)] that deal with the issue of foreclosure on contracts for the sale of land. This section parallels provisions currently used by the state in their foreclosure process.
4. The new bill includes sections [Sec. 7, (h)] provides for the protection of proprietary information that may be submitted by private companies in proposals submitted to the University in relation to purchase, lease, or other disposal of university land or interest in university land. This section parallels the provisions currently used by the state in protecting proprietary information.

Other provisions of the bill remain the same as they were in SB 16. These provisions are outlined in detail on the Fact Sheet.

UNIVERSITY LAND GRANT BILL

SECTIONAL ANALYSIS

9-LS1394\B

4-3-96

Section 1. FINDINGS AND PURPOSE.

Defines the University of Alaska as a land-grant university. Establishes that under the Acts of March 4, 1915 Congress granted Alaska certain federal lands to be held in trust for the University. Upon Statehood the act was repealed and Congress assumed that the State would devote some of its 102,500,000 acres to the University. These lands were to be income producing lands to provide support to the University and its programs.

Section 2. LEGISLATIVE INTENT.

Establishes that the legislature's intent is that the UofA encourage the development of in-state value-added industries to the maximum extent feasible when developing conveyed land.

Section 3. Amends 14.40.170. DUTIES AND POWERS OF BOARD OF REGENTS.

Establishes guidelines that the board must abide by and amends the duties and powers of the Board of Regents under (4) to say that the Board has the care, control, and management of land selected by the UofA and conveyed to it by the commissioner of DNR under AS 14.40.365, except as provided in AS 14.40.368 (a)(2). Also requires that the board report to the legislature the status of selected and conveyed land.

Section 4. Amends 14.40.190. REPORT TO LEGISLATURE.

Includes the management of university public trust land in Board of Regents written report to legislature.

Section 5. Amends 14.40.280. ENDOWMENTS AND DONATIONS.

States that all monetary gifts, bequests, or endowments made to the UofA shall be held by the University and shall be managed by the University through the regents or an authorized agent. This section transfers the authority for management of the natural resources endowment fund from the Department of Revenue to the University of Alaska. The endowment fund is the fund in which all receipts from university land goes.

Section 6. Amends 14.40.291. LAND OF THE UNIVERSITY OF ALASKA LAND SALE CONTRACTS; CONFIDENTIAL INFORMATION.

Adds land selected by and conveyed to the UofA under AS 14.40.365 as land that may not be treated as state public domain land and designates it as university trust land.

Section 7. Amends AS 14.40.291 by adding a new subsection

Grants the university the right to terminate a breached contract for a sale of land at any time 31 days after delivering notice of breach to the purchaser. The purchaser may make payment of the sum of the amount in default and the larger of a fee of \$50 or 5% within 30 days after receipt of the breach notice or request, in writing, for a review of the facts. If the breach is determined to be caused on the administrative record, the university may

April 4, 1996

terminate the contract and the purchaser is obligated to make payments under the contract through the date of the decision to foreclose. If the university fulfills its notification requirements and the purchaser does not satisfy the breach within 30 days, the decision forecloses and terminates all legal and equitable rights the purchaser has in the land. Provides confidentiality of certain proprietary information by the university.

Section 8. Amends AS 14.40 to add a new section 14.40.365 SELECTION AND CONVEYANCE OF STATE LAND TO THE UNIVERSITY OF ALASKA.

Authorizes the University to select and receive 350,000 acres of land from the state that, on the effective date of this section, is owned by the state, or has been tentatively approved or selected by the state under the AK Statehood Act. The director of the division of lands and the director of land management for the UofA shall compile, maintain and revise a list of lands to be conveyed. The list shall be maintained at the Anchorage office. If there is disagreement between the Univ. and DNR about lands available for conveyance, the disagreement must be submitted to the governor, who shall make the final decision. The Univ. will not be allowed to enter into litigation against DNR regarding the conveyance process. The director shall periodically submit to the legislature, within 30 days of the beginning of a regular session, a list of land proposed to be conveyed by the state to the UofA. Each list must contain not less than 25,000 acres of land or the remaining entitlement, whichever is less. The legislature must, by law, approve some or all of the list by the end of the regular legislative session following the submission of the list.

On land selected but not yet conveyed, the state may enter into contracts and grant leases, licenses, claims, prospecting sites, sales, permits, rights-of-way, or easement, except that the authority granted the state is the authority that the state otherwise would have had had the land not been selected and may be exercised only if the UofA concurs before the action is taken by the state. On said contracts, after approval by the legislature, and before the land has been conveyed by a quitclaim deed or by a document of interim conveyance, 90% of the proceeds derived from land after selection shall be held by the state. After the issuance of a document of interim conveyance or a quitclaim deed, the state shall pay to the UofA the proceeds held by the state and thereafter the University shall receive all proceeds.

Upon issuance of a patent or document of interim conveyance, the University is responsible for management of all contracts, leases, licenses, claims, prospecting sites, sales, permits, rights-of-way, or easements.

The University shall take possession of any tide land or submerged land adjacent to the land conveyed and takes the land subject to any possessory interest held by another person on the effective date of the conveyance, subject to the terms and conditions of conveyance and the provisions of AS 14.40.365-14.40.400, and is entitled to receive the consideration due under that possessory interest.

Oil and gas development on university lands is subject to all provisions relative to moneys required to be deposited into the permanent fund.

April 4, 1996

When conveying land to the University, the commissioner of DNR shall give public notice under AS 38.05.945 (b) and (c) and provide access under 38.05.127 but other provisions of AS 38.04 and 38.05 do not apply.

The University shall bear all costs of selection, platting, surveying, and conveyance if the land it selects and, subject to appropriation, shall reimburse the DNR for the reasonable costs incurred by the dept. Patent for the land will be conveyed by the commissioner of DNR within one year of request. If the land is unsurveyed the Commissioner of DNR shall convey the land with exterior boundary survey within one year of request by the University.

The University may not make a land selection after December, 31, 2011.

Section 9. AS 14.40 is amended to add a new section AS 14.40.366 MANAGEMENT AND DISPOSITION OF UNIVERSITY LAND.

States that trust land shall be held by the Board of Regents in trust for the UofA. The University shall manage trust land in accordance with applicable trust management principles, subject to the terms and conditions of conveyance and the provisions of AS 14.40.365-14.40.400, under provisions of law applicable to other university land; and may exchange other state land for university trust land under AS 38.50.

Establishes policies to provide for public notice and comment on proposals for development, exchange, or sale of land selected by and conveyed to the university. Establishes procedures for mineral entry or location and mineral leasing, and shall adopt rent and royalty schedules on university trust land selections that are substantially similar to those of the state. Regents shall adopt policies which provide that the university shall prepare an annual plan for management and disposition of land not less than 60 days before scheduled approval by the board and provides for ample public notification and comment period. Ensures that the provisions of AS 44.99.100 (b)(5) apply to the development of the resources of university trust land. Requires, to the extent consistent with law, the primary manufacture of timber harvest or removal from university trust land before the timber is exported from the state.

Section 14.40.368. MANAGEMENT AND DISPOSITION OF INCOME FROM EXISTING ENCUMBRANCES ON UNIVERSITY PUBLIC TRUST LAND.

On land selected by the University that is, as of the effective date, subject to a lease, license, contract, claim, prospecting site, sale, permit, or right-of-way the state is entitled to receive 50% of moneys due under said encumbrance. The University takes on responsibility for the management of the land only upon conclusion of the term, including any renewals, of the contract unless the state and the University mutually agree to transfer the management of the land at a date earlier, at which time the University is entitled to receive all income from contract.

Section 14.40.369. CUSTOMARY AND TRADITIONAL USES TO BE CONTINUED.

States that the University shall manage the land in a manner that permits customary and traditional uses of the resources of that land including hunting, fishing, and recreational opportunities except for the commercial harvest of timber.

Section 10. AS 14.40 is amended by adding a new section 14.40.375. TORT IMMUNITY FOR PERSONAL INJURIES, DEATH, OR PROPERTY DAMAGE OCCURRING ON UNIVERSITY LAND.

States that the University is not liable in tort for damages for the injury or death of a person, or for property damage to the property of a person on unimproved university land except for an act that constitutes gross negligence or reckless or intentional misconduct.

Section 11. Amends AS 14.40.400(a)

States that the University will set up an endowment trust fund in which all net income derived from the sale or lease of the land granted or land selected or conveyed to the UofA under AS 14.40.365, and in which all other endowments shall be held in trust.

Section 12. Amends AS 14.40.400(b)

Says the President of the University is responsible for the trust and shall account for and invest the fund and report to the Board of Regents and to the legislature.

Section 13. Amends AS 14.40.491. DEFINITION OF UNIVERSITY RECEIPTS.

Amends existing statute to include net income of the trust fund established in AS 14.40.400.

Section 14. Amends AS 29.45.030.

Amends AS 29.45.030 (a) to include land conveyed by the state to the University.

Section 15. Amends AS 36.30.850(b)(15).

Takes out reference to AS 14.40.400

Section 16. Repeals AS 14.40.400.

Section 17. UNIVERSITY OF ALASKA ENDOWMENT TRUST FUND: TRANSITION.

States that notwithstanding the amendments made to statutes regarding the transfer of the trust fund management from Dept. of Revenue to the University, the act remains in effect.

Section 18. APPLICABILITY OF LAND SALE CONTRACT REMEDY PROVISIONS.

States that AS 14.40.291 (e)-(g), added by section 7 of this bill apply to land sale contracts entered into by the UofA on or after the effective date of this act.

Section 19. APPLICABILITY OF PROVISION AUTHORIZING SELECTION BY AND CONVEYANCE TO UNIVERSITY OF ALASKA TRUST LAND TO MEMORANDUM OF AGREEMENT OF DECEMBER 2, 1994, SETTLING CERTAIN LITIGATION.

This section was put in the bill to make it known that it is important to all the parties that the terms of this agreement not be intentionally or unintentionally disrupted by any provision of this legislation.

April 4, 1996



Attachment

4/11/96 pm

Alaska Environmental Lobby, Inc.

P.O. Box 22151 Juneau, Alaska 99802

Phone: 907-463-3366

Fax: 907-463-3312

SB 250 UNIVERSITY LAND GRANT

- The University of Alaska's land grant obligation is fulfilled. The State of Alaska has no additional land obligation to the University, and has monetarily supported the University since Statehood. The University has **no higher right to State resources** than any other agency.
- In a time when **we cannot fully fund our Public Schools** it is inappropriate to give resources worth millions of dollars to the University. The University already has an endowment!
- All Alaskans currently have access to share the opportunity to use of State lands. Putting **350,000 acres** of State owned land into the "private" ownership of the University **preempts equal access.**
- "Customary and traditional use" of the land, like fishing, hunting, camping, trapping, and hiking, will only be protected until the University's development plans conflict with it.
- **Fracturing the ownership pattern** of Alaskan lands is **not in the State's best interest.** If these are lands the State should develop, then the State should lease them out. Giving away valuable resource lands, with out a plan for future of Alaska's land management is short sighted.

4/10/96

ALASKA CENTER FOR THE ENVIRONMENT • ALASKA CHAPTER, SIERRA CLUB • ALASKA FRIENDS OF THE EARTH
 ANCHORAGE AUDUBON SOCIETY • ARCTIC AUDUBON SOCIETY • CLEAN AIR COALITION • DENALI CITIZENS' COUNCIL
 DENALI GROUP, SIERRA CLUB • JUNEAU AUDUBON SOCIETY • JUNEAU GROUP, SIERRA CLUB
 KACHEMAK BAY CONSERVATION SOCIETY • KENAI PENINSULA AUDUBON SOCIETY • KNIK CANOERS AND KAYAKERS
 KNIK GROUP, SIERRA CLUB • KODIAK AUDUBON SOCIETY • LYNN CANAL CONSERVATION • NORTHERN ALASKA ENVIRONMENTAL CENTER
 PRINCE WILLIAM SOUND CONSERVATION ALLIANCE • SITKA CONSERVATION SOCIETY • SOUTHEAST ALASKA CONSERVATION COUNCIL • TONGASS CONSERVATION SOCIETY



4/11/96 pm



Northern Alaska Environmental Center

218 DRIVEWAY STREET
FAIRBANKS, ALASKA 99701-2806
PHONE: (907) 452-5021 FAX: (907) 452-3100
E-MAIL: naec@econet.org

House Finance -- April 11, 1996

Good Afternoon, Mr. Chairman and members of the Committee. For the record, my name is Dan Ritzman and I'm here representing the Northern Alaska Environmental Center in Fairbanks. Thank you for the opportunity to testify today.

The Northern Center is opposed to SB 250.

This bill removes 350,000 acres of public land from public control. Access to public lands traditionally used for fishing, hunting, trapping, and many other purposes may be lost, or restricted after the transfer to the University.

SB 250 exempts the selected lands from public oversight and state land planning requirements. The University claims to be concerned about public input into its land management, but their recent history does not demonstrate this. The Yakataga dispute, and the near riots caused by the University's plan to allow Wal-Mart to construct a store on a piece of land visited by thousands of Geese and Cranes in Fairbanks are two examples. Additionally, the University tried to fast-track this bill right past the public. SB 250 had only one hearing in the Senate, which was not teleconferenced. This left many people around the state without a voice. This is not the type of process I would like to see applied to the management of public lands.

The Northern Center believes that SB 250 is dangerous for public lands. It negates years of good faith public participation in state land use planning, that resulted in decisions to retain most lands for fish and wildlife habitat, public recreation, and a host of other purposes. The University's draft financial management plan indicates that they would like to dispose of much of their land holdings for cash that can be invested. While this may be a sound financial policy for the University, this will be a disaster for our public lands.

SB 250 fails to address the issue of contiguity of land ownership. There is no provision in the bill to prevent our land from being fragmented further. This will lead to development conflicts with existing uses on neighboring public and private land.

This bill likely violates the dedicated fund prohibition in the state constitution. In addition, we do not believe that the University has any more right to a land entitlement, than say public safety providers, or the secondary school system.

Whether or not this land giveaway is constitutional, the Northern Center believes that it is bad fiscal policy. The State will lose general state revenue and the flexibility for future funding decisions.

Finally, strictly speaking, this is not a question of whether to develop or not, but rather how we make decisions of **public lands**, do we involve the public or do we turn it over to private individuals, and who should benefit from the revenue generated from these lands, everyone in the state or a few individuals. Passage of this Bill will remove the public from public land.



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AMENDMENT I

Withdrawn

OFFERED IN THE HOUSE

TO: CSCSSB 250 (RES), Version R, dated 4/4/96

Page 3, Lines 10 - 12 ,

Delete subsection (ii)

Insert new subsection "(ii) conveyed to the Board of Regents by the commissioner of natural resources under AS 14.40.365 except as provided in AS 14.40.368 (a)(2);

Page 4, Line 2, after "were"

Delete "selected by and"

Page 4, Line 31 (and continued on Page 5, Line 1) after "land"

Delete "selected by and"

Page 7, Line 8, following "of"

Delete "making the selection and conveyance of state land"

Insert "identifying state land available for conveyance"

Page 7, Line 28, following "less."

Insert "Each list submitted to the legislature shall contain not more than 25% in overselections or topfilings of state lands."

Page 8, Line 1, following "land"

Delete "selected by but"

Insert "approved by the legislature for conveyance under (b) of this section"

Page 8, Line 11, following "been"

Delete "selected by the University of Alaska;"

Insert "approved by the legislature for conveyance under (b) of this section;"

Page 8, Line 15, after "legislature"

Delete "or, when approval of the list is based on the legislature's inaction under (b) of this section, after the 60th day following the date on which the list was submitted to the legislature,"

Insert " under (b) of this section"

Page 8, Line 21, after "of"

Delete "selection by the University of Alaska"

Insert "submission of the list to the legislature under (b) of this section"

Page 9, Line 24, after "costs of"

Delete "selection"

Insert "identifying"

Page 9, Line 26, after "it"

Delete "selects"

Insert "receives"

Page 9, Line 28, after "that"

Delete "selection"

Insert "identification"

Page 10, Lines 20-21

Delete subsection (j)

Insert new subsection "(j) The University of Alaska may not submit recommendations for lands to be included on the land list under AS 14.40.365 (b) after December 31, 2016.

Page 10, Line 24, after "land"

Delete "'selected and"

Page 11, Line 7

Delete "shall adopt"

Page 12, Line 3

Delete "selected by and"

Page 12, Lines 21-25

Delete subsection (a)

Insert new subsection "(a) For land conveyed to the University of Alaska under AS 14.40.365, the University of Alaska shall, before conveying or disposing of an interest in such land to a third party, manage the land in a manner that permits customary and traditional uses of the resources, including hunting, fishing, and recreational opportunities, of that land to the maximum extent practicable."

Page 13, Line 14, after "land"

Delete "selected by and"