

**SB**

**7**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

DATE: 2/5/99

FURTHER: 4/23/99

DATE TURNED  
IN TO OFFICE: 4/23/99

Finance Committee considered

SENATE BILL NO. 7

"An Act relating to the University of Alaska and university land, and authorizing the University of Alaska to select additional state land."

and recommends:

- be replaced with \_\_\_\_\_ CS SB 7 ( FIN )
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ ( \_\_\_\_\_ )
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to the \_\_\_\_\_ Committee

- Senate Bill:**
- same title
  - new title
- House Bill:**
- same title
  - technical title
  - new: SCR# \_\_\_\_\_

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
		<i>Handwritten notes</i>	<input checked="" type="checkbox"/>		
<i>Samuel</i>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		
<i>Steven D. Leman</i>	<input checked="" type="checkbox"/>				
<i>John Buckley</i>	<input checked="" type="checkbox"/>				
<i>Pete Kelly</i>	<input checked="" type="checkbox"/>				
Co-Chair: <i>John</i>	<input checked="" type="checkbox"/>	Co-Chair:			
Co-Chair:		Co-Chair:			

**NEW FISCAL NOTE(S):**

Department	Date	Zero	Fiscal

**PREVIOUS FISCAL NOTE(S):\***

Department	Date	Zero	Fiscal
DNR/Resource Dev.	2/5/99		1,157.0
Univ/	1/22/99		1,627.0
ADFGS/Hab. Rest.	1/29/99		70.0

APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill

# FISCAL NOT.

No. 70 4/29/99  
 Bill Version: CSSB 7 (RES)  
 (S) Publish Date: 2-5-99

## STATE OF ALASKA 1999 LEGISLATIVE SESSION

Revision Date: 3-Feb-99 Dept Affected Natural Resources  
 Title: An Act relating to the U. of A. and univ. land, & BRU: Resource Development  
authorizing the U. of A. to select additional state land. Component: Land Development  
 Sponsor: Sen. Taylor, et al.  
 Requestor: Sen Resources Component Serial No. 431

Expenditures/Revenues (Inflation not included unless otherwise noted below) (Thousands of Dollars)

OPERATING EXPENDITURES	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005
PERSONAL SERVICES	142.0	161.0	161.0	161.0	161.0	161.0
TRAVEL	15.0	15.0	15.0	15.0	15.0	15.0
CONTRACTUAL	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>1,157.0</b>	<b>1,176.0</b>	<b>1,176.0</b>	<b>1,176.0</b>	<b>1,176.0</b>	<b>1,176.0</b>

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES (fund code)	see note					
--------------------------------	----------	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	30.0	32.0	32.0	32.0	32.0	32.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
I/A (University)	1,127.0	1,144.0	1,144.0	1,144.0	1,144.0	1,144.0
<b>TOTAL</b>	<b>1,157.0</b>	<b>1,176.0</b>	<b>1,176.0</b>	<b>1,176.0</b>	<b>1,176.0</b>	<b>1,176.0</b>

Estimate of any current year (FY99) cost: \$ \_\_\_\_\_

### POSITIONS

FULL-TIME	3	3	3	3	3	3
PART-TIME						
TEMPORARY						

### 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. Costs could be higher depending on what lands are selected and the level of controversy relating to individual parcels. Most costs for the conveyance work will be paid for by the University using Interagency Receipts; however, this money still must come from state funds.

For FY 00, staff will include 2 mos. of a Natural Resource Manager I, 12 mos. Natural Resource Officer (NRO) II, and 12 mos. NRO I who will help identify parcels for University selection, check land status and land records, prepare public notice, respond to public inquiries, negotiate with the University, and perform other tasks to prepare land lists. Includes 6 mos. for a Land Surveyor I to prepare survey instructions and contracts for survey. Large

[cont.]

Prepared by: Richard A LeFebvre, Acting Director Phone: 907-269-8503  
 Division: Land Date: 4-Feb-99  
 Approved by Commissioner: [Signature] Date: 2-5-99  
 Agency: Natural Resources

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information call the Governor's Legislative Office

**ANALYSIS [continued]:**

contractual expenditures reflect the cost to survey parcels. FY 01 and following years include the above costs, plus costs to issue title documents.

\* Note: It is impossible to project how much revenue these conveyances will generate for the University, and will be lost to the state, without knowing exactly what lands will be transferred. However, it can be assumed the University will select the most valuable parcels it can find. The effect is to divert a significant revenue stream out of the general fund, where it would have been available for those public purposes the Legislature deemed most important in a given year, into the hands of the Board of Regents for strictly university purposes. Also, by removing the most valuable parcels from the state's asset base, the bill reduces one of the most important incentives for local government to incorporate: the opportunity to select top-quality commercial, residential, and industrial land for municipal ownership under AS 29.65.

# FISCAL NOTI No. 3 4/23/99

STATE OF ALASKA  
1999 LEGISLATIVE SESSION

Bill Version: CSSB 7 (RES)  
(S) Publish Date: 2-5-99

Revision Date/Time (Note if correction) \_\_\_\_\_ Dept. Affected ADF&G  
 Title University lands bill BRU Habitat and Restoration  
 Component Habitat  
 Sponsor Senator Taylor  
 Requester Senate Resources Component Serial No. 486

### Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Personal Services	64.5	64.5	64.5	64.5	64.5	64.5
Travel	3.5	3.5	3.5	3.5	3.5	3.5
Contractual	1.5	1.5	1.5	1.5	1.5	1.5
Supplies	0.5	0.5	0.5	0.5	0.5	0.5
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>70.0</b>	<b>70.0</b>	<b>70.0</b>	<b>70.0</b>	<b>70.0</b>	<b>70.0</b>

<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
-----------------------------	------------	------------	------------	------------	------------	------------

<b>CHANGE IN REVENUES ( )</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
-------------------------------	------------	------------	------------	------------	------------	------------

### FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	70.0	70.0	70.0	70.0	70.0	70.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>70.0</b>	<b>70.0</b>	<b>70.0</b>	<b>70.0</b>	<b>70.0</b>	<b>70.0</b>

Estimate of any current year (FY99) cost: \_\_\_\_\_

#### POSITIONS

Full-time	1	1	1	1	1	1
Part-time						
Temporary						

#### ANALYSIS: *(Attach a separate page if necessary)*

The Habitat and Restoration Division would require one additional Habitat Biologist III position to conduct the statewide reviews of the proposed land selections to provide input to DNR as to whether or not the conveyance of specific parcels out of the public domain was in the best interest of the state given the value of the public trust fish and wildlife resources produced on those parcels. Assumptions:

- 1) many University selections will be in remote locations requiring travel from ADF&G offices,
- 2) between 25,000 and 62,500 acres would need review by ADF&G each year; and
- 3) field reviews would only be affordable for those parcels thought to be of highest value for the continued production of fish and wildlife important for commercial and sport fishing, hunting, subsistence, and /or tourism.

Prepared by Janet Kowalski Phone 465-4105  
 Division Habitat and Restoration Date/Time 01/29/99  
 Approved by Commissioner Frank Rue Date 1/29/99  
 Agency Fish and Game

**PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE**

For further distribution information, call the Governor's Legislative Office

# FISCAL NOTE

No. 2 ~~4/23/99~~  
 Bill Version: CSSB 7/RES  
 (S) Publish Date: 2-5-99

## 1999 LEGISLATIVE SESSION

Revision Date (Note if correction) \_\_\_\_\_ Dept. Affected University of Alaska  
 Title An Act relating to the University of Alaska and BRU University of Alaska  
university land, and authorizing selection of additional land. Component Statewide Services  
 Sponsor Senate Judiciary  
 Requester Senate Finance Component Serial No. 730

### Expenditures/Revenues

OPERATING EXPENDITURES	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services					
Travel					
Contractual	1,627.0	1,627.0	1,627.0	1,627.0	1,627.0
Supplies					
Equipment					
Land & Structures					
Grants & Claims					
Miscellaneous					
<b>TOTAL OPERATING</b>	<b>1,627.0</b>	<b>1,627.0</b>	<b>1,627.0</b>	<b>1,627.0</b>	<b>1,627.0</b>

<b>CAPITAL EXPENDITURES</b>					
-----------------------------	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>					
-------------------------------	--	--	--	--	--

### FUND SOURCE

1002 Federal Receipts					
1003 GF Match					
1004 GF					
1005 GF/Program Receipts					
1037 GF/Mental Health					
1048 University Receipts	1,627.0	1,627.0	1,627.0	1,627.0	1,627.0
<b>TOTAL</b>	<b>1,627.0</b>	<b>1,627.0</b>	<b>1,627.0</b>	<b>1,627.0</b>	<b>1,627.0</b>

Estimate of any current year (FY98) cost: none

### POSITIONS

Full-time					
Part-time					
Temporary					

### ANALYSIS:

*(Attach a separate page if necessary)*

This bill provides for the selection and conveyance to the University of Alaska of 250,000 acres of land conveyed to the state under the Alaska Statehood Act. A list of land to be conveyed is to be presented to the legislature within 30 days of the beginning of each regular session, with each list to contain at least 25,000 acres. The bill also provides that the University of Alaska shall bear all costs of selection, platting, surveying and conveyance. This fiscal note assumes that the minimum 25,000 acreage will be platted and surveyed each year, at an estimated cost of \$1,627. All costs will be paid from the university land grant trust fund as provided for in AS 14.40.400; related expenditures will also be reflected in the university's annual operating budget as university receipts.

Prepared by Pat Pitney, Director Phone 474-5889  
 Division UA Budget and Institutional Research Date 1/22/99  
 Approved by Pat Pitney, Director Date 1/27/99  
 Agency UA Budget and Institutional Research

**PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE**

For further distribution information, call the Governor's Legislative Office

SENATE FINANCE  
COMMITTEE

Amendment Number: 1  
Bill Number: CSSB 7 (RES)  
Sponsor: \_\_\_\_\_ Date: 3/5/99  
Logged In By: Joltane

A M E N D M E N T

OFFERED IN THE SENATE  
TO: CSSB 7(RES)

Sponsor: Sen. Torgerson  
at the request of  
Sen. Taylor WITHDRAWN  
included in new CS

1 Page 3, line 8:

2 Delete "AS 14.40.368(3)"

3 Insert "AS 14.40.368(2)"

4 Page 8, line 12:

5 Delete "AS 14.40.368(3)"

6 Insert "AS 14.40.368(2)"

7 Page 10, lines 10 - 24:

8 Delete all material and insert:

9 "(1) if the lease, license, contract, prospecting site, claim, sale, permit,  
10 right-of-way, easement, or trespass

11 (A) existed before the selection of the land by the University  
12 of Alaska, the state is entitled to receive the income obtained from the lease,  
13 license, contract, prospecting site, claim, sale, permit, right-of-way, easement,  
14 or trespass for the duration of the term of the lease, license, contract,  
15 prospecting site, claim, sale, permit, right-of-way, or easement, or from  
16 trespass, and during any renewal of it that is authorized by the lease, license,  
17 contract, prospecting site, claim, sale permit, right-of-way, or easement, or by  
18 law;

19 (B) did not exist before the selection of the land by the  
20 University of Alaska,

21 (i) the state is entitled to receive the income obtained  
22 from the lease, license, contract, prospecting site, claim, sale, permit,  
23 right-of-way, or easement, or from trespass before the recording of the

1 conveyance to the University of Alaska by the issuance of a document  
2 of interim conveyance or a patent;

3 (ii) the University of Alaska is entitled to receive the  
4 income obtained from the lease, license, contract, prospecting site,  
5 claim, sale, permit, right-of-way, or easement, or from trespass on the  
6 date of and after the recording of the conveyance to the University of  
7 Alaska by the issuance of a document of interim conveyance or a  
8 patent;"

9 Page 10, line 25:

10 Delete "(3)"

11 Insert "(2)"

AMENDMENT

SENATE FINANCE  
COMMITTEE

Amendment Number: 2

Bill Number: SB 7

Sponsor: Torgerson Date: 3/4/99

Logged In By: Mindy

WITHDRAWN

BY Torgerson

*at request of sponsor*

*included in new CS*

OFFERED IN THE SENATE

TO: CSSB 7(RES)

Page 8, line 18:

Delete "2020"

Insert "2005"

AMENDMENT

SENATE FINANCE  
COMMITTEE

Amendment Number: 3

Bill Number: SB 7

Sponsor: Torgerson Date: 3/4/99

Logged In By: Mindy

without objection  
WITHDRAWN

BY Torgerson

at request of sponsor

OFFERED IN THE SENATE

TO: CSSB 7(RES)

Page 11, line 14:

Insert new bill section to read:

**\*Sec. 7. Traditional uses to be continued.** Land conveyed to the University of Alaska under AS 14.40.365, Before conveying or disposing of an interest in the land to a third party, shall be managed in a manner that ~~permits~~ <sup>ensures</sup> the continuation of traditional uses of the land to the maximum extent practicable.

\*Renumber the following bill sections accordingly.

~~permits~~  
any such transfer  
shall guarantee  
that the land

including  
w/o limitation

must be managed in a manner that permits the continuation of traditional uses, ~~such as~~ <sup>subsistence</sup> sport hunting, ~~and~~ <sup>and</sup> ~~and~~ <sup>and</sup> sport fishing, ~~and subsistence to the maximum extent practicable.~~

AMENDMENT

SENATE FINANCE  
COMMITTEE

Amendment Number: 3  
Bill Number: SB 7  
Sponsor: Tomvson Date: 3/4/99  
Logged In By: Mindy

BY Torgerson

at request of sponsor

OFFERED IN THE SENATE

TO: CSSB 7(RES)

Page 11, line 14:

Insert new bill section to read:

**\*Sec. 7. Traditional uses to be continued.** Land conveyed to the University of Alaska under AS 14.40.365, before conveying or disposing of an interest in the land to a third party, shall be managed in a manner that permits the continuation of traditional uses of the land to the maximum extent practicable.

\*Renumber the following bill sections accordingly.

SENATE FINANCE  
COMMITTEE

Amendment Number: 4  
Bill Number: SB 7  
Sponsor: Adams Date: 3/1/99  
Logged In By: Mindy

1-1.S00721.2 ✓  
Luckhaupt  
3/3/99

A M E N D M E N T

OFFERED IN THE SENATE  
TO: CSSB 7(RES)

*moved* BY SENATOR ADAMS  
WITHDRAWN

1 Page 1, line 2, following "land":

2 Insert "; and providing for an effective date"

3 Page 8, line 18:

4 Delete "after December 31, 2020"

5 Insert "more than 21 years after the effective date of this Act"

6 Page 12, following line 22:

7 Insert new bill sections to read:

8 **\* Sec. 8.** Sections 1 - 7 of this Act take effect only if each municipality in the state in  
9 existence on the effective date of this section has received a patent for all of the general grant  
10 land entitlement to which it is entitled under AS 29.65 as of the effective date of this section.  
11 The director of the division of lands, Department of Natural Resources, shall notify in writing  
12 the lieutenant governor and the revisor of statutes when the general grant land entitlements  
13 under AS 29.65 of all municipalities in the state as of the effective date of this section have  
14 been satisfied.

15 **\* Sec. 9.** If secs. 1 - 7 of this Act take effect, they take effect 30 days after the director  
16 of the division of lands, Department of Natural Resources, notifies the revisor of statutes  
17 under sec. 8 of this Act.

18 **\* Sec. 10.** Sections 8 and 9 of this Act take effect immediately under AS 01.10.070(c)."

SENATE FINANCE  
COMMITTEE

Amendment Number: 5

Bill Number: SB 7

Sponsor: Adams Date: 3/4/99

Logged In By: Mindy

1-LS0072N.3

Luckhaupt

3/3/99

A M E N D M E N T

OFFERED IN THE SENATE

TO: CSSB 7(RES)

BY SENATOR ADAMS

4y-5n FAILED

- 1 Page 7, line 26, following "conveyance.":
- 2       Insert "If the University of Alaska does not reimburse the department for reasonable
- 3 costs incurred in the selection, platting, and surveying of the land and for costs incurred in
- 4 the conveyance of the land to the extent the University of Alaska is required to pay for the
- 5 costs of conveyance under this subsection, the department may not convey the land to the
- 6 University of Alaska."

LAW OFFICES

HEDLAND BRENNAN HEIDEMAN & COOKE  
A PROFESSIONAL CORPORATION

ANCHORAGE

JOHN S. HEDLAND  
JAMES T. BRENNAN  
SARA E. HEIDEMAN  
ERIC J. BROWN  
AMY L. VAUDREUIL  
PATRICK M. ANDERSON

1227 WEST NINTH AVENUE SUITE 300  
ANCHORAGE, ALASKA 99501-3218  
TELEPHONE: (907) 279-5529  
TELEFAX: (907) 278-0377

BETHEL OFFICE

251 SEVENTH AVENUE  
P.O. BOX 555  
BETHEL, ALASKA 99559  
(907) 543-2744  
(907) 543-2746 FAX

BETHEL

CHRISTOPHER R. COOKE  
JIM VALCARCE

FACSIMILE COVER SHEET

The following document, including cover sheet, contains 3 pages.

TRANSMITTED TO: SENATE FINANCE COMMITTEE

Re: SB 7  
Fax No.: (907) 465-2187

Our File No: 3000

Date: March 3, 1999

TRANSMITTED FROM: JAMES T. BRENNAN

THE INFORMATION CONTAINED IN THIS FACSIMILE TRANSMITTAL IS CONFIDENTIAL, MAY BE SUBJECT TO THE ATTORNEY-CLIENT PRIVILEGE AND IS INTENDED ONLY FOR THE USE OF THE RECIPIENT NAMED ABOVE. IF THE READER OF THIS INFORMATION IS NOT THE INTENDED RECIPIENT, OR THE EMPLOYEE OR AGENT RESPONSIBLE FOR DELIVERY TO THIS INFORMATION TO THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT THIS IS NOT A WAIVER OF PRIVILEGE AND ANY DISSEMINATION, DISTRIBUTION OR COPYING OF THIS INFORMATION IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS INFORMATION IN ERROR, PLEASE NOTIFY THE SENDER IMMEDIATELY BY TELEPHONE AND RETURN THE ORIGINAL INFORMATION TO THE SENDER, BY U.S. MAIL, AT THE ABOVE ADDRESS.

Original: Mailed  Not Mailed

\*\*\*\*\*  
PLEASE DISTRIBUTE TO ALL SENATE FINANCE  
COMMITTEE MEMBERS PRIOR TO HEARING ON  
SB7 SCHEDULED FOR TOMORROW MORNING -  
THANK YOU

LAW OFFICES

HEDLAND, BRENNAN, HEIDEMAN & COOKE

A PROFESSIONAL CORPORATION

ANCHORAGE:

JOHN S. HEDLAND  
JAMES T. BRENNAN  
SARA C. HEIDEMAN  
ERIC J. BROWN  
AMY L. VAUDREUIL  
PATRICK M. ANDERSON

1227 WEST NINTH AVENUE, SUITE 300

ANCHORAGE, ALASKA 99501-3213

TELEPHONE (907) 278-5528

TELEFAX (907) 278-0877

BETHEL OFFICE:

251 SEVENTH AVENUE  
P. O. BOX 555  
BETHEL, ALASKA 99559  
(907) 543-2744

BETHEL:

CHRISTOPHER R. COOKE  
JIM J. VALCARCE

March 3, 1999

Via Facsimile (907) 465-2187  
Senate Finance Committee

Re: Senate Bill No. 7: Committee Substitute for SB 7

Dear Senate Finance Committee Members:

I am an attorney for the City and Borough of Yakutat, which has recently made some of its municipal entitlement selections under AS 29.65, and expects to make the balance of its entitlement selections within the next few months. Because of a large backlog in DNR's processing of municipal entitlement selections around the State, it is likely that many of CBY's entitlement selections will remain pending for years. It is my understanding that many municipal entitlement selections of other Alaskan boroughs, made up to 10 years ago, are still pending because of this backlog.

Where a municipality has made a land entitlement selection under AS 29.65, such land should be absolutely precluded from selection by the University of Alaska, should SB 7 be enacted in its present or altered form. Protection of municipal entitlement selections could be easily accomplished by specific reference to them at § 14.40.365(a), as lands which may not be selected by the University. Referring to the Committee Substitute language, § 14.40.365(a) should include a subsection (6) at p. 5, line 7, which would read:

(6) is subject to a pending selection made by a municipality under AS 29.65, which has not been selected by the Commissioner of Natural Resources

The protection provided to municipal entitlement selections in the current version of the Bill is inadequate. CSSB 7, at § 14.40.365(e), would still permit the University to select lands which had already been selected by a municipality, and then allow the University to prevail in the competing selection if it is able to persuade either the Governor or the Commissioner of Natural Resources to favor the University's selection over the prior municipal selection. This would be unfair, particularly where some municipal entitlements are longstanding and have not been processed only because of agency backlog. In any case, the municipal entitlements program is itself long-standing, and was intended to assist new municipalities, including boroughs, in meeting their needs. Existing selections under the Municipal

Letter to Senate Finance Committee  
SB 7  
Page 2

Entitlements Act should not be subjected to competition from any newly enacted University lands act.

On the other hand, the current language of the Bill at AS 14.40.365(e)(B) (at p. 6, lines 16-20) is sensible, as it allows the Commissioner of DNR to deny University selection if the Commissioner reasonably believes that the land may be selected by the municipality.

However, where land has already been selected by a municipality under AS 29.65, the University should be absolutely precluded from selecting the same land, and from possibly wresting such land from a prior municipal selection, in derogation of existing municipal entitlement statutes.

Sincerely,

HELLAND, BRENNAN, HEIDEMAN & COOKE



James T. Brennan

JTB/djl  
cc: Tom Armour  
1000/finacomm.ltr



750 W. 2nd Ave. #109, Anchorage AK 99501 / Ph. 907-258-6171 / Fax 907-258-6177

P.O. Box 22151, Juneau AK 99802 / Ph. 907-463-3366 / Fax 907-463-3312 / [unite@akvoice.org](mailto:unite@akvoice.org)

---

Kirsten Shelton

Testimony to Senate Finance, 3/4/99

The Alaska Conservation Voice is comprised of twenty-seven organizations representing over 15,000 individuals statewide. ACV believes investment in our university system is critical for the state's continued economic prosperity and high quality of life. We support funding that will guarantee a strong university system now and in the future.

SB 7 does not guarantee adequate or reliable funding for the university and what funding it might provide comes at too high a cost. We urge you to oppose this legislation and instead seek more effective, viable ways to finance state higher education.

We have a number of serious objections to SB 7:

1. It robs Alaskans of more effective opportunities to capitalize on our natural assets, rather than simply liquidating them to finance a specific state function.
2. It is deleterious to local economies. Because the University seeks to maximize revenue, it has rapidly liquidated its existing timber assets and then exported these valuable Alaskan resources in the round at significant cost to local economies. During past timber sales, such as those at Yakataga, the University has ignored local processing and local hire opportunities.
3. Because of the University's aggressive development policies, the bill threatens fish and wildlife resources, as well as the recreational and commercial uses that depend on them. It threatens community water sources and local use, expansion and planning options. At both the local and regional level, University land selections would further complicate confusing land ownership patterns and make sorting out the conflicts a costly and time-consuming process.
4. SB 7 also curtails highly valued access rights. Numerous bills have been introduced/passed in the past few legislative sessions to ensure access to public lands. Transfer of state lands to the University will close or restrict, either through development or sale to a third party, 250,000 acres to hunting, fishing, skiing, mushing, and innumerable other recreational and commercial activities.

Alaskans deserve a strong university for our children, BUT we urge you to support the university through appropriations not through land giveaways like SB 7.

Conserve Alaska. It's Only Natural.

# 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

February 25, 1999

**SUBJECT:** Sectional summary (CSSB 7(RES)) (Work Order No. 21-LS0072\I)

**TO:** Senator Robin Taylor  
Attn: Mel Krogseng

**FROM:** Gerald P. Luckhaupt *JLP*  
Legislative Counsel

Sec. 1. Findings and purpose, including that the University of Alaska should own income producing land to provide income for the support of public higher education.

Sec. 2. Legislative intent that the University encourage the development of in-state value-added industries when developing the land conveyed to it.

Sec. 3. Technical amendment to add the land conveyed under this bill to the provision granting the Board of Regents the care, control, and management of other University land.

Sec. 4. Technical amendment to account for the land conveyed under this bill.

Sec. 5. Adds new section dealing with new land selections.

Sec. 14.40.365. Allows the University to select 250,000 acres of state land. Sets out requirements for the land that may be selected. The transfer of ownership of the land to the University includes the interest of the state: (1) in minerals; and (2) to oil and gas, but only for land that is selected at least 5 years after the effective date of the bill. Describes the power of the state to manage the land selected but not yet conveyed. Lists types of land that may not be conveyed, including land the conveyance of which is determined by the Commissioner of Natural Resources not to be in the best interest of the state. The University bears costs of selection, platting, surveying, and conveying the land, except the state pays the cost of recording patents and documents of interim conveyance. The University must make all selections by December 31, 2020.

Sec. 14.40.366. The Board of Regents must establish procedures for mineral leasing on the conveyed land that are substantially similar to state procedures. The board must prepare an annual plan for the management of the land and seek public comment on the plan. At least 20 percent of the income derived from the management of selected land must be used at the campus that is closest to the land from which the income was derived if the local municipality matches the income.

Senator Robin Taylor

February 25, 1999

Page 2

Sec. 14.40.367. Permits the president of the university, on a determination that it is in the best interest of the university or on request of a person who provided the information, to keep confidential certain types of information relating to land conveyed to the university under AS 14.40.365.

Sec. 14.40.368. Sorts out whether the state or the university gets the income and management responsibilities on selected lands that are subject to certain types of agreements (leases, claims, permits, etc.). Basically, the state gets the income and management responsibility for land subject to leases, permits, etc., that existed prior to selection until lease, permit, etc., expires; the state gets the income and management responsibility until conveyance for leases, permits, etc., entered into after selection; and the university gets income and management responsibility upon conveyance for all other land.

Sec. 14.40.369. Before conveying or disposing of an interest in selected land the University is required to manage the land in a manner that permits customary and traditional uses of resources to the maximum extent practicable.

Sec. 6. Includes income derived from the management of selected land in the endowment trust fund.

Sec. 7. Exempts from municipal taxation property of the University.

GPL:lmb:jr  
99-020.lmb

## **LANDS NOT AVAILABLE FOR SELECTION**

1. Land reserved for the public domain
2. Land included in a 5 year proposed oil and gas leasing program
3. Leased land or land for which a lease is pending
4. Land subject to an oil, gas, or coal lease or coal prospecting permit
5. Land subject to a mining claim, prospecting site, upland mining lease, or mining leasehold location.
6. Land that is necessary to carry out the purpose of an interagency land management agreement.
7. Land that is subject to conveyance under a land exchange or land settlement agreement.

## **SELECTED LANDS THAT MAY NOT BE CONVEYED**

1. Land which has been selected by a municipality
2. Land which the commissioner believes may be selected by a municipality
3. Land that is subject to an oil and gas exploration license
4. Land that the commissioner believes will be made part of an oil and gas exploration lease.
5. The commissioner cannot withhold these lands for more than three years after selection by the University.
6. Any land conveyed is subject to any possessory interest.
7. DNR shall provide public notice of intent to convey.
8. University shall pay all costs associated with surveying and transfer except recording of title transfer.

## TRANSFER CONDITIONS

1. Coal, ores, minerals, fissionable material, geothermal resources, and fossils transfer when title to the land transfers.
2. Oil and gas resources only transfer for land selected after the effective date of this Act and then only 5 years after the effective date of this Act.
3. Parcels of 640 acres (1 section) or more unless selection is isolated tract or commissioner agrees best interest of state.

## REVENUE STREAM

1. Oil, gas, and coal revenues go to state for 5 years after the effective date of act, even if land conveyed.
2. All other revenues transfer to University upon conveyance of title.
3. Up to 20% of the revenues generated from land conveyed shall be appropriated to the campus nearest the resources provide the local community provides a like match.

## **LANDS NOT AVAILABLE FOR SELECTION**

1. Land reserved for the public domain
2. Land included in a 5 year proposed oil and gas leasing program
3. Leased land or land for which a lease is pending
4. Land subject to an oil, gas, or coal lease or coal prospecting permit
5. Land subject to a mining claim, prospecting site, upland mining lease, or mining leasehold location.
6. Land that is necessary to carry out the purpose of an interagency land management agreement.
7. Land that is subject to conveyance under a land exchange or land settlement agreement.

## **SELECTED LANDS THAT MAY NOT BE CONVEYED**

1. Land which has been selected by a municipality
2. Land which the commissioner believes may be selected by a municipality
3. Land that is subject to an oil and gas exploration license
4. Land that the commissioner believes will be made part of an oil and gas exploration lease.
5. The commissioner cannot withhold these lands for more than three years after selection by the University.
6. Any land conveyed is subject to any possessory interest.
7. DNR shall provide public notice of intent to convey.
8. University shall pay all costs associated with surveying and transfer except recording of title transfer.

## TRANSFER CONDITIONS

1. Coal, ores, minerals, fissionable material, geothermal resources, and fossils transfer when title to the land transfers.
2. Oil and gas resources only transfer for land selected after the effective date of this Act and then only 5 years after the effective date of this Act.
3. Parcels of 640 acres (1 section) or more unless selection is isolated tract or commissioner agrees best interest of state.

## REVENUE STREAM

1. Oil, gas, and coal revenues go to state for 5 years after the effective date of act, even if land conveyed.
2. All other revenues transfer to University upon conveyance of title.
3. Up to 20% of the revenues generated from land conveyed shall be appropriated to the campus nearest the resources provide the local community provides a like match.

**MUNICIPAL LAND ENTITLEMENTS - AS 29.65**

5137

<u>Municipality</u>	<u>Entitlements</u> (acres)	<u>Pending Approval</u> (acres)	<u>Remaining to Select</u> (acres)
Aleutians East Borough	7,633	5,790	-
Municipality of Anchorage	44,893	273	160
City of Anderson	1,182	1,204	-
City of Bethel	40	0	-
Bristol Bay Borough	2,898	349	349
City of Coffman Cove	222	0	-
City of Cordova	235	45	45
City of Delta Junction	481.8	82	-
Denali Borough	49,789	45,631	-
City of Dillingham	1	0	-
City of Fairbanks	15	0	-
Fairbanks North Star Borough	112,000	177	-
Haines Borough	2,800	25	25
City of Homer	16	0	-
City of Hoonah	15	0	-
City of Houston	405	0	-
City and Borough of Juneau	19,584	225	225
City of Kena!	307	0	-
Kenai Peninsula Borough	155,780	45,000@	see footnote 1
City of Ketchikan	4	0	-
Ketchikan Gateway Borough	11,593	85	85
City of Kodiak	32	0	-
Kodiak Island Borough	56,500	0	-
City of Kupreanof	180.8	0	-
Lake and Peninsula Borough	125,000	124,955	-
Matanuska-Susitna Borough	355,210	10,630	-
City of North Pole	.5	0	-
North Slope Borough	89,850	89,498	36,063 <sup>2</sup>
Northwest Arctic Borough	285,438	285,438	-
City of Ouzinkie	240	0	-
City of Pelican	8.9	0	-
City of Petersburg	461.3	0	-
City of Port Alexander	53	0	-
City of Port Lions	35	0	-
City of Seward	565	48	48
City of Skagway	7,977	0	-
City and Borough of Sitka	10,500	0	-
City of Soldotna	14	0	-
City of Tenakee Springs	2,958	0	-
City of Thome Bay	675	0	-
City of Valdez	7,593	0	-
City of Whittier	600	0	-
City of Wrangell	551	0	-
City and Borough of Yakutat	21,500	21,343	16,409
<b>Total</b>	<b>1,375,836.3</b>	<b>630,798</b>	<b>53,409</b>

@-approximate

<sup>1</sup> Kenai Borough is re-evaluating its remaining selections based on Kenai Area Plan and will relinquish and re-select an uncertain amount of acreage.

<sup>2</sup> Includes 30,673 acres selected but not soon to be rejected due to classification (land in Prudhoe Bay area)



March 3, 1999

Senator John Torgerson  
State Capitol  
Juneau, AK 99801-1182

FAX: (907) 465-4779

Dear Senator Torgerson:

My name is Keith Phillips and I am president of Alaska's Kenai Peninsula Chapter of Safari Club International. I would like to voice the concerns about Senate Bill 7, University Lands Bill, on behalf of the seventy-five members of this organization.

SB-7 would take lands currently in the public domain (managed for multiple use) and convey them to private, single-use management. This bill would inevitably lead to situations where hunting/fishing access and other public use of important lands would be eliminated or brought into conflict with private ownership. SB-7 could also further delay our own borough's land selection process and be in direct conflict with future land use planning critical to managing brown bear habitat on the Kenai Peninsula.

University operations should be adequately funded through the general fund process, not through a loss of land and resources important to wildlife habitat, public hunting and other outdoor interests. The university system needs support and funding now, not a contentious land selection process. Public lands should remain public.

We would appreciate any action on your part in opposition to SB-7.

Thank you for your attention to this important issue.

Sincerely,

Keith Phillips, President  
Alaska's Kenai Peninsula Chapter SCI

John Torgerson

907 465-4779

martes, 2 marzo 1999

SB 7 (The University Land Grab Bill) is totally unacceptable. As a recipient of two advanced degrees at UAF, I insist that UA is funded THROUGH THE ANNUAL APPROPRIATIONS PROCESS, NOT in this irresponsible way, with almost no regulations as to how the land can be used! Save what little wildness is left on our planet!  
 Thank you, Bob Shalit (xenon@redshift.com)

Bob Shalit (xenon@redshift.com)

AS THE CEO AND  
 CHAIRMAN OF MICROSOFT,  
 I WANT YOU ALL TO  
 KNOW I'M TOTALLY  
 READY FOR THE Y2K BUG...



**Subject: No on SB 7**

**Date:** Thu, 25 Feb 1999 12:26:15 PST

**From:** "Peter Branson" <peterbranson@hotmail.com>

**To:** Senator\_John\_Torgerson@legis.state.ak.us, Senator\_Al\_Adams@legis.state.ak.us,  
Senator\_Dean\_Parnell@legis.state.ak.us, Senator\_Randy\_Phillips@legis.state.ak.us

Dear Senators,

I am strongly opposed to SB 7, which would give the University a quarter million acres for resource development, land that is extremely valuable to local communities all over Alaska for watershed, hunting and fishing, sustainable logging, and tourism.

If SB 7 passes the University will have to pay over \$1.5 million per year just to transfer lands from the state. At this rate they will be forced to "liquidate thier assets" and log every tree imediatly as examples along tongass narrow in Ketchikan illustrate. I'm a graduate from the u of a and strongly support full funding, but not by some dubious land deal.

Please vote no on SB 7.

Thank you, Peter Branson  
PO Box 2073  
Wrangell, AK 99929

---

Get Your Private, Free Email at <http://www.hotmail.com>

*Martha K. Reynolds*  
1638 Wolverine Lane, Fairbanks AK 99709  
(907) 479-3726 FAX(907) 479-4310

February 22, 1999

Dear Senate Finance Committee,

I am writing to oppose Senate Bill 7, which would give 250,000 acres to the University of Alaska.

I strongly support increased funding of the University. It is in terrible condition now, and in a downward spiral. The University of Alaska needs immediate cash funding, so as to hire replacement faculty for the departments that are incapacitated due to the early retirement program. Only by revitalizing their staff will they start to rebuild their reputation and attract students.

Giving the University land instead of money is not a good idea for several reasons. The land should stay in public management for the benefit of all state residents. The University needs immediate liquid income, not property that has to be converted to cash flow. The University also does not need any more negative publicity about its land management. As long as they are required to manage their land for maximum immediate cash flow, they will perpetuate and exacerbate their image as terrible long term land managers. What kind of image is this for a school that is supposed to be based on and teach land management!

Sincerely,

*Martha K. Reynolds*

Martha K Reynolds  
Plant ecologist

February 26, 1999

Senator John Torgerson  
Co-Chair, Senate Finance Committee  
Juneau, Alaska

Re: CS for Senate Bill 7 State lands for the University of Alaska

Dear Senator Torgerson,

Here we go again! This bill has been around for at least a year or two. I have opposed it in the past, and go on record as opposing it now.

The University of Alaska is financially in trouble. They are an education entity, not a Real Estate entity. To put them into the real estate business will merely aggravate an already bad situation by forcing the hiring of more persons to do that job, when what they need are the dollars up front to protect the investment we have and provide education to our people. This is not good policy for the state for many reasons.

Giving state land to the University will be detrimental to wildlife, recreation and tourism, and will put community water sources at risk, because, the University would be exempt from all public review. Our State lands belong to ALL OF US, and we have the right to expect to have a voice in how those lands will be utilized. Under no circumstances should they just be given to the University. There would be no accountability, and, local economics could lose valuable options and jobs. Case in point is the timber sales at Yakataga where the University totally ignored local processing and local hire opportunities. Aggressive development of UA lands puts local development options at risk.

Recreation access would be curtailed. As you know, in the Homer area this is grave concern, as more and more private lands choke off recreational access to the back country. It is imperative such options are left open.

As stated above, the University is in financial trouble. The smartest thing this state could do, is to support the university through regular appropriations, and not through short sighted land giveaways. Let the university concentrate on what they do best - teach. Why are so many of our young people studying outside? Why is this talent lost to Alaska? The answer lies with every one of us. Our university is being allowed to flounder. It is time the Legislature supports higher education with adequate, regular appropriations.

I urge you to vote NO on SB7.

Thank you.

Very sincerely,

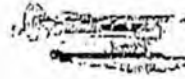


Mildred M. Martin  
P.O. Box 2652  
Homer, Alaska 99603

# High Adventure

*Located on the Kenai Peninsula*

**Air Charter, Guides & Outfitters, Inc.**



---

Phone: (907) 262 5237  
FAX: (907) 262-6566  
P.O. Box 486  
Soldotna, Alaska 99669

February 25, 1999

To: Senator John Torgerson  
State Capitol

Fax: 907-465-4779

Re: University Lands Bill - Senate Bill 7

As a commercial user of public lands, we would like for you to know that we are opposed to this bill. Our public lands for recreation continue to dwindle and we feel it is not good for the State or tourism.

Sincerely,

Greg & Mark Bell  
HIGH ADVENTURE AIR

*FISHING — HUNTING — FLIGHT SEEING*



Nov 8, 1998

Vo.

## The Anchorage Times

Publisher: BILL J. ALLEN

*"Believing in Alaskans, putting Alaska first"*

Editors: DENNIS FRADLEY, PAUL JENKINS, WILLIAM J. TOBIN

*The Anchorage Times Commentary in this segment of the Anchorage Daily News does not represent the views of the Daily News. It is written and published under an agreement with former owners of The Times, in the interests of preserving a diversity of viewpoints in the community.*

# Trees for UA

**B**ESIDES MEASURING the popularity of candidates, professional pollsters often sample public opinion on a variety of issues.

Dave Dittman did such a sampling in a statewide poll in September at the request of Sen. Frank Murkowski. The subject was the University of Alaska. Specifically, he wanted to find out whether Alaskans think the state's university system needs improvement. If so, where should money come from to do the job?

An overwhelming 94 percent said Alaska needs a good, high-quality, state-supported university. However, a majority said the school should meet needs at the community and state level, rather than be developed to excel nationally.

Two out of three agreed that the university needs major improvements. But when asked whether the state should provide more money, the public was evenly divided. Half said it already gets enough state support. Half said it needs more.

Very few favored higher taxes or raiding the Permanent Fund to come up with additional money. Only 1 percent thought increasing the cost of tuition would be a good idea.

A majority endorsed the idea of an endowment fund created from revenues generated by mining and timber development on state lands.

Dittman asked: "There has been a proposal to give the University of Alaska a land grant of approximately 750,000 acres of state and federal lands which could then be developed to provide an endowment fund to help finance the university system. Do you support or oppose that proposal?"

Seventy-one percent of those polled supported it. Only 19 percent opposed.

With this strong public support, you'd think political leaders would be anxious to get behind a land grant effort. But so far they haven't.

Year after year, proposals to provide the university with an additional land grant have been defeated — either by the Legislature or by a veto from the governor. At statehood, Alaska received by far the most generous land grant — 104 million acres — of any of the 50 states. Yet Alaska's land grant college has the next-to-lowest amount of land earmarked to raise money in support of higher education.

Murkowski has been leading the effort in Congress to obtain an additional allocation of federal lands for the university. But to succeed he needs the state to make a similar commitment out of its tremendous land bank.

Dittman found a majority of Alaskans support a greater university land endowment. The governor and Legislature should work with the congressional delegation to make this a reality.



Charlie Boddy  
Vice President Of Governmental Relations

February 1, 1999

Senator Robin Taylor  
Alaska State Legislature  
Vice-Chair Senate Resources  
Juneau, Alaska

Subject: Senate Bill No. 7, University of Alaska lands bill

Dear Senator Taylor,

Thank you for according me time last week to discuss the intrinsic worth of SB7. The effort to make the University whole as a land grant college is laudable.

Your staff worked with the resource community last year to make certain that lands already encumbered with leases, permits and the like - were not included as being available for selection. The current version maintains that provision.

From my perspective, the one provision still needed is a process which allows the legislature to approve the ultimate list of lands selected and agreed to be conveyed. By having the legislature approve all lands being transferred to the trust, a "best interest finding" will have been made on the selections, easing the timelines that might otherwise slow development and or conveyance ultimately of the lands.

Thank you for considering these comments. With best regards, I remain,

Sincerely,

Cc: Sen. Gary Wilken  
Sen. Pete Kelly

USIBELLI COAL MINE, INC. 100 ♦ Cushman St. - Suite 210 ♦ Fairbanks, Alaska 99701  
Telephone 907 452-2625 ♦ Facsimile 907-451-6543

Ice Dogs sink Sailors

SPORTS \* D-1

16 month sentence  
for cyclist's death

LOCAL \* B-1

Health clubs take clients out of the gym

HEALTH \* C-1

Cloudy and mild with  
periods of snow.  
High 70, Low 10  
Page A-2



# Daily News-Miner



The Voice of Interior Alaska

VOL. XCVII, No. 22

FAIRBANKS, ALASKA, SATURDAY, JANUARY 23, 1999

75 cents per copy

28 Pages

## Washington rejects Knowles' plan for UA

By DOUGLAS FISCHER  
Staff Writer

In clear language, U.S. Sen. Frank Murkowski and the Clinton administration have dismissed as unworkable Gov. Tony Knowles' plan to link University of Alaska revenues to oil development in the National Petroleum Reserve-Alaska.

"We do not believe the University of Alaska is owed any more federal lands or resources than have already been given," said Stephanie Hanna, spokes-

woman for Interior Secretary Bruce Babbitt, on Friday.

The plan, announced in Wednesday in Knowles' State of the State speech, would divert federal taxes from the yet-to-be-developed oil patch to university coffers. In exchange, the state would relinquish its continual claim for a university land grant from Congress.

Murkowski, whose effort to transfer up to 500,000 acres of federal property to the university stalled in Congress last

year, said an outright cash grant is "a tough one."

"It's a lot easier to get land than it is to get dollars," he said in a Thursday news conference. "This would be a first."

The Clinton administration was even more direct: The United States owes nothing more to the University of Alaska.

"The underlying concern, one that caused a veto threat for Sen. Murkow-

ski's bill, still remains," Hanna said.

The Knowles administration has remained staunchly opposed to any transfer of state lands to the university, claiming that lands conveyed to the state under the Alaska Statehood Act belong to all Alaskans, not one particular agency. Knowles says he supports a federal grant.

But talk of any land transfer raises hackles on environmentalists, who claim the land will be removed from the public

domain with an eye on aggressive development.

Murkowski's 1998 proposal would have given an immediate 250,000 acres to the university and up to another 250,000 acres if matched acre for acre by the state. Knowles has vetoed a state grant approved by the Legislature and threatened to veto other attempts.

The diversion of federal oil taxes, Knowles said, is a compromise. He See PLAN, Page A-10

### NANOOKS LOSE LEADER



## Senator calls for an end to Clinton trial

The New York Times

WASHINGTON—With a small, but increasingly important, number of Republicans expressing reservations about the wisdom of calling witnesses, Sen. Robert Byrd, D-W.Va., a leading authority on Senate traditions, said on Friday that President Clinton's impeachment trial should come to a swift end, and he announced that he would offer a motion to dismiss the charges next week.

"I am convinced that the necessary two-thirds for conviction are not there and that they are not likely to be."

**\$9999**

Lane  
 Michael Howard  
 BenchCraft  
 Guilford  
 of California

will take place on Saturday, January 23rd  
 giveaways! First come first serve! Super  
 reclining sofas, occasional tables,  
 dinettes, bedrooms, bunkbeds and much  
 more! Lane, Broyhill, BenchCraft & more!



Twin/Full Bunkbed  
 Enamel bunk bed set has twin bed on top  
 and full size bed on bottom. Includes ladder  
 and guard rail. Stocked in electric blue.  
 Mattress not included. #4B3-12001-9  
 Reg. \$629.99

**FINANCING FOR  
 ONE FULL YEAR!**

**and no interest charges for one full year!**

**30 DAY GUARANTEE!**  
 30 Days for a full refund!

**WRITTEN WARRANTY!**  
 We stand behind what we sell with  
 a five year written warranty!

**ADLER'S  
 HOME FURNISHINGS**

1367 Van Road  
 Sterling 12 Miles North of Solihua  
 282-5009

**10AM TO 7PM TODAY ONLY!**  
 \*C.A.C. Minimum \$500 purchase



a positive influence on the entire athletic program.

"We want to find a coach who can maintain a strong program that will set the tone for all of our teams throughout the school year," Pitney said.

**PLAN**

Continued from Page A-1  
 remains optimistic despite the unambiguous opposition in Washington, D.C., added spokesman Bob King.

"Many times the initial reaction is not the way things turn up at the end," he said Friday. "Upon reflection, hopefully, they'll agree that this is a workable alternative."

University of Alaska President Mark Hamilton was out of town and unavailable for comment Friday. His chief spokeswoman was similarly unavailable.

Occupying a parcel of land on the North Slope about the size of Indiana, the NPR-A was set aside in 1923 after explorers found oil seeping from the ground. In April, the Bureau of Land Management is scheduled to hold the first lease sale in NPR-A in years, in a 4 million acre corner of the preserve.

Under Knowles' proposal, an undetermined portion of the revenues—bonuses, rentals and royalties—generated by the development would form an endowment for the university.

Murkowski promised to forge ahead with his land bill again this year and questioned Knowles' opposition. "When is it not OK to take the land, but OK to take the money from the land?" he asked.

And with oil prices at an all-time low on the North Slope, now might not be the time to be linking university revenues to the commodity, he added.

**It could be a best seller. But it's free.**  
 You can't buy the Consumer Information Catalog. But you can get it, free! Send for your guide to over 200 free or low-cost government publications. Write:  
**Consumer Information Center  
 Department BEST,  
 Pueblo, CO 81009**

**ALASKA STATE CHAMBER OF COMMERCE**

**Position 99-12**

**University of Alaska Land Grant**

The Alaska State Chamber of Commerce supports the conveyance of state and federal land to the University of Alaska as follows:

- 250,000 acres of State land
- 250,000 acres of Federal land
- An optional 250,000 acres of Federal land to match state land

Rationale:

The Alaska State Chamber recognizes the valuable contribution an academically strong and financially secure state university system can make to Alaska's future. Management of its land provides the University system with a source of recurring revenues.

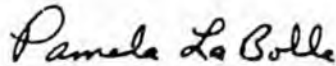
Congress established the University of Alaska as a land grant institution at the time of Statehood and promised 250,000 acres of income producing land to provide a means of support for public higher education in the state. Less than one-third, or 112,000 acres have been actually transferred.

In managing its current land portfolio, the University has demonstrated it can meet, and exceed, the requirements of responsible land development. Conveyance of state and federal lands to the University for appropriate development will enhance economic opportunities on many fronts.

ADOPTED

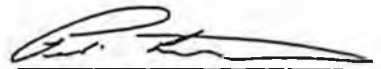
December 4, 1998

BY



Pamela La Bolle  
President

BY



Peter Leathard  
Chairman

# Alaska State Legislature

*Chairman,*  
Judiciary Committee

State Capitol  
Juneau, Alaska 99801-1182  
(907) 465-3873  
Fax: (907) 465-3922



50 Front Street  
Suite 203  
Ketchikan, Alaska 99901  
(907) 225-8088  
Fax (907) 225-0713

*Senator Robin L. Taylor*

## SPONSOR STATEMENT

### SENATE BILL 7

**“Relating to the University of Alaska and university land, and authorizing the University of Alaska to select additional state land.”**

The University of Alaska system was created under federal authority as a land grant institution to provide for the higher education requirements of Alaska's people in perpetuity. Most colleges established under the land grant program were endowed with sizable land bases from which to generate income to be used for operating purposes. Unlike most institutions in the lower 48 states, the University of Alaska does not have the relatively larger population base and proximity to other support services that are so beneficial. The University of Alaska also suffers from a smaller pool of alumni and other normal sources of endowment income which many institutions rely on to help support operations, especially subsidies from teaching positions.

In the past decade several legislators have introduced legislation allowing the University of Alaska to select additional lands from the State. The purpose of all legislative attempts to provide more land for the University statewide system has been to provide more income producing assets as monetary resources are becoming scarcer and more unpredictable. This bill continues that effort to give the University of Alaska a larger more productive land base. The bill also provides clear expectations that land conveyed is to be used for the development of value added industries where appropriate.

The provisions of SB 7 allow the University of Alaska to select 250,000 acres of state land. Land selected for transfer would include interests in minerals and to oil and gas subject to certain limitations. Certain lands would be exempt from selection, such as:

- \* lands subject to a coal lease or where a lease application is pending,
- \* land reserved by law from the public domain,
- \* land included in a five-year proposed oil and gas leasing program, and
- \* leased land where the lease application is pending.

District A:

Hyder • Ketchikan • Kupreanof • Meyers Chuck • Petersburg • Saxman • Sitka • Wrangell

All land selections must be made by December 31, 2020.

In an endeavor to encourage local support, up to twenty percent (20%) of the income derived from lands conveyed as a result of this legislation is to be given to the campus or campuses in the region from which the earnings are derived. This revenue is to be used for programs and services that support the development of natural resources within the region. This appropriation by the Board of Regents would only occur if the local municipality where the campus or campuses are located provides a match of the same amount.

It is this sponsor's hope, that this legislation will enable the University of Alaska to begin making its way toward equal footing with other land grant universities around the Nation.

Nov 8, 1998

# The Anchorage Times

Publisher: BILL J. ALLEN

"Believing in Alaskans, putting Alaska first"

Editors: DENNIS FRADLEY, PAUL JENKINS, WILLIAM J. TOBIN

The Anchorage Times Commentary in this segment of the Anchorage Daily News does not represent the views of the Daily News. It is written and published under an agreement with former owners of The Times, in the interests of preserving a diversity of viewpoints in the community.

## Trees for UA

**B**ESIDES MEASURING the popularity of candidates, professional pollsters often sample public opinion on a variety of issues.

Dave Dittman did such a sampling in a statewide poll in September at the request of Sen. Frank Murkowski. The subject was the University of Alaska. Specifically, he wanted to find out whether Alaskans think the state's university system needs improvement. If so, where should money come from to do the job?

An overwhelming 94 percent said Alaska needs a good, high-quality, state-supported university. However, a majority said the school should meet needs at the community and state level, rather than be developed to excel nationally.

Two out of three agreed that the university needs major improvements. But when asked whether the state should provide more money, the public was evenly divided. Half said it already gets enough state support. Half said it needs more.

Very few favored higher taxes or raiding the Permanent Fund to come up with additional money. Only 1 percent thought increasing the cost of tuition would be a good idea.

A majority endorsed the idea of an endowment fund created from revenues generated by mining and timber development on state lands.

Dittman asked: "There has been a proposal to give the University of Alaska a land grant of approximately 750,000 acres of state and federal lands which could then be developed to provide an endowment fund to help finance the university system. Do you support or oppose that proposal?"

Seventy-one percent of those polled supported it. Only 19 percent opposed.

With this strong public support, you'd think political leaders would be anxious to get behind a land grant effort. But so far they haven't.

Year after year, proposals to provide the university with an additional land grant have been defeated — either by the Legislature or by a veto from the governor. At statehood, Alaska received by far the most generous land grant — 104 million acres — of any of the 50 states. Yet Alaska's land grant college has the next-to-lowest amount of land earmarked to raise money in support of higher education.

Murkowski has been leading the effort in Congress to obtain an additional allocation of federal lands for the university. But to succeed he needs the state to make a similar commitment out of its tremendous land bank.

Dittman found a majority of Alaskans support a greater university land endowment. The governor and Legislature should work with the congressional delegation to make this a reality.



**Charlie Boddy**

**Vice President Of Governmental Relations**

February 1, 1999

Senator Robin Taylor  
Alaska State Legislature  
Vice-Chair Senate Resources  
Juneau, Alaska

Subject: Senate Bill No. 7, University of Alaska lands bill

Dear Senator Taylor,

Thank you for according me time last week to discuss the intrinsic worth of SB7. The effort to make the University whole as a land grant college is laudable.

Your staff worked with the resource community last year to make certain that lands already encumbered with leases, permits and the like - were not included as being available for selection. The current version maintains that provision.

From my perspective, the one provision still needed is a process which allows the legislature to approve the ultimate list of lands selected and agreed to be conveyed. By having the legislature approve all lands being transferred to the trust, a "best interest finding" will have been made on the selections, easing the timelines that might otherwise slow development and or conveyance ultimately of the lands.

Thank you for considering these comments. With best regards, I remain,

Sincerely,

Cc: Sen. Gary Wilken  
Sen. Pete Kelly

Ice Dogs sink Sailors

SPORTS \* D

16 month search for cyclist's death

LOCAL \* B-1

Health clubs take clients out of the gym

HEALTH \* C-1

Cloudy and mild with periods of snow. High 20, Low 10 Page A-2

FAIRBANKS



# Daily News-Miner



The Voice of Interior Alaska

VOL. XCVII, No. 22

FAIRBANKS, ALASKA, SATURDAY, JANUARY 23, 1999

75 cents per copy

28 Pages

## Washington rejects Knowles' plan for UA

By DOUGLAS FISCHER  
Staff Writer

In clear language, U.S. Sen. Frank Murkowski and the Clinton administration have dismissed as unworkable Gov. Tony Knowles' plan to link University of Alaska revenues to oil development in the National Petroleum Reserve-Alaska.

"We do not believe the University of Alaska is owed any more federal lands or resources than have already been given," said Stephanie Hanna, spokes-

woman for Interior Secretary Bruce Babbitt, on Friday.

The plan, announced in Wednesday in Knowles' State of the State speech, would divert federal taxes from the yet-to-be-developed oil patch to university coffers. In exchange, the state would relinquish its continual claim for a university land grant from Congress.

Murkowski, whose effort to transfer up to 500,000 acres of federal property to the university stalled in Congress last

year, said an outright cash grant is "a tough one."

"It's a lot easier to get land than it is to get dollars," he said in a Thursday news conference. "This would be a first."

The Clinton administration was even more direct: The United States owes nothing more to the University of Alaska.

"The underlying concern, one that caused a veto threat for Sen. Murkow-

ski's bill, still remains," Hanna said.

The Knowles administration has remained staunchly opposed to any transfer of state lands to the university, claiming that lands conveyed to the state under the Alaska Statehood Act belong to all Alaskans, not one particular agency. Knowles says he supports a federal grant.

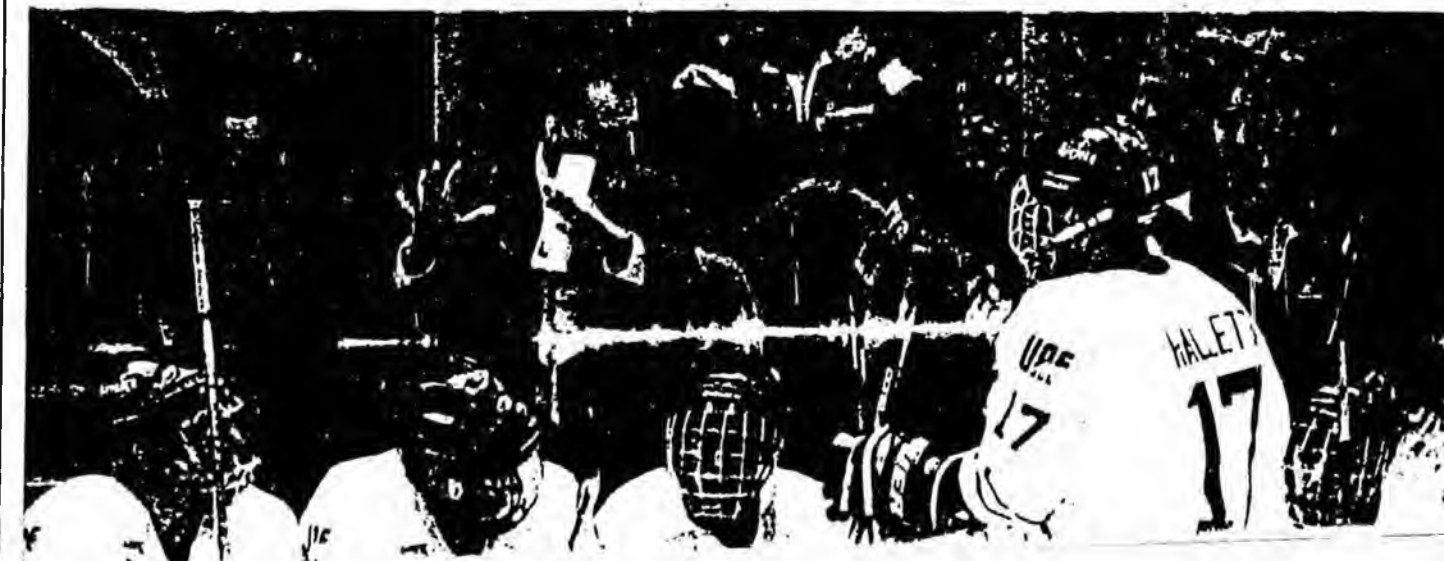
But talk of any land transfer raises hackles on environmentalists, who claim the land will be removed from the public

domain with an eye on aggressive development.

Murkowski's 1998 proposal would have given an immediate 250,000 acres to the university and up to another 250,000 acres if matched acre for acre by the state. Knowles has vetoed a state grant approved by the Legislature and threatened to veto other attempts.

The diversion of federal oil taxes, Knowles said, is a compromise. He See PLAN, Page A-10

### NANOOKS LOSE LEADER



## Senator calls for an end to Clinton trial

The New York Times

WASHINGTON—With a small, but increasingly important, number of Republicans expressing reservations about the wisdom of calling witnesses, Sen. Robert Byrd, D-W.Va., a leading authority on Senate traditions, said on Friday that President Clinton's impeachment trial should come to a swift end, and he announced that he would offer a motion to dismiss the charges next week.

"I am convinced that the necessary two thirds for conviction are not there and that it is time to end the trial."

**\$99<sup>99</sup>**

Lane  
 Michael Howard  
 BenchCraft  
 Guilford Craft  
 of California

will take place on Saturday, January 23rd  
 giveaways! First come first serve! Super  
 reclining sofas, occasional tables,  
 dinettes, bedrooms, bunkbeds and much  
 more! Lane, Broyhill, BenchCraft & more!

Twin/Full Bunkbed  
 Panel bunkbed set has twin bed on top  
 and full size bed on bottom. Includes ladder  
 and guard rail. Stocked in electric blue.  
 Mattress not included #483-12001-9  
 Reg #629.99



**\$263<sup>99</sup>**

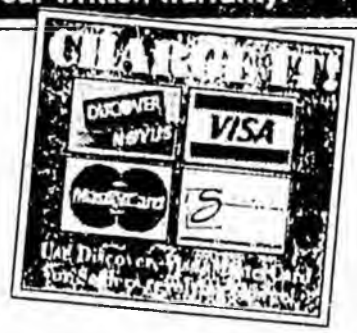
**\$367<sup>99</sup>**

**FINANCING FOR  
 ONE YEAR!**  
 No interest charges for one full year!

**GUARANTEED!**  
 30 Days for a full refund!

**WRITTEN WARRANTY!**  
 We stand behind what we sell with  
 a five year written warranty!

**ADVERTISER'S  
 FURNISHINGS**  
 Fairbanks - 1167 Van Road - 452-1316  
 Sterling - 12 Miles North of Soldotna - 262-5009



**10AM TO 7PM TODAY ONLY!**  
 \*\$4.2 Minimum \$500 purchase

a positive influence on the entire athletic program.

"We want to find a coach who can maintain a strong program that will set the tone for all of our teams throughout the school year," Pitney said.

## PLAN

Continued from Page A-1  
 remains optimistic despite the unambiguous opposition in Washington, D.C., added spokesman Bob King.

"Many times the initial reaction is not the way things turn up at the end," he said Friday. "Upon reflection, hopefully, they'll agree that this is a workable alternative."

University of Alaska President Mark Hamilton was out of town and unavailable for comment Friday. His chief spokeswoman was similarly unavailable.

Occupying a parcel of land on the North Slope about the size of Indiana, the NPR-A was set aside in 1923 after explorers found oil seeping from the ground. In April, the Bureau of Land Management is scheduled to hold the first lease sale in NPR-A in years, in a 4 million acre corner of the preserve.

Under Knowles' proposal, an undetermined portion of the revenues—bonuses, rentals and royalties—generated by the development would form an endowment for the university.

Murkowski promised to forge ahead with his land bill again this year and questioned Knowles' opposition. "When is it not OK to take the land, but OK to take the money from the land?" he asked.

And with oil prices at an all-time low on the North Slope, now might not be the time to be linking university revenues to the commodity, he added.

**It could be a best seller. But it's free.**  
 You can't buy the Consumer Information Catalog. But you can get it, free! Send for your guide to over 200 free or low-cost government publications. Write:  
**Consumer Information Center  
 Department BEST,  
 Pueblo, CO 81009**



## Legislative Resources

Mr. President, in my State of Alaska the University of Alaska is the oldest post-secondary school. The university was chartered prior to statehood and has played a vital role in educating Alaskans as well as students from around the world. The expertise of the university has been in many areas, mining, agriculture, arctic and subarctic sciences.

Additionally, the university has served as an important cornerstone in the history of our State. For example, the university housed the Alaska Constitutional Convention where the fathers of our statehood act carved out the rights and privileges guaranteed to Alaskan citizens. Further, Mr. President, the university is proud of the fact that it began life as the Alaska Agricultural and Mining College. However, Mr. President, what makes the University of Alaska unique is the fact that it is the only land-grant college in the Nation that is virtually landless today.

As some of my colleagues know, one of the oldest and most respected ways of financing America's educational system has been from the land-grant system. This was established in 1785 and the practice gives land to schools and universities for their use in supporting their educational endeavors. In 1862, Congress passed what was then known as the Morrill Act, which created the land-grant colleges and universities as a way to underwrite the cost of higher education to more and more of America's young people. These colleges and universities received land from the Federal Government for facility location, and more importantly as a way to provide for sustaining revenues to those educational institutions.

Mr. President, the University of Alaska received the smallest amount of land of any State, with the exception of Delaware that has a land-grant college. Delaware received about 90,000 acres. Even the land-grant college in Rhode Island received more land from the Federal Government than has the University of Alaska. Rhode Island received 120,000 acres.

In a State the size of Alaska, about 365 million acres, we should logically have one of the best and most fully funded land-grant colleges in the country.

Yet, to date, the University of Alaska only has about 111,000 acres. Unfortunately, without the land promised to Alaska under the land-grant allocation system in earlier legislation, the university is unable to share as one of the premier land-grant colleges in this country.

Previous efforts were made in Congress to fix this problem. These efforts date back to 1915, less than 50 years after the passage of the Morrill Act, when Alaska's delegate to Congress, Delegate James Wickersham shepherded a measure through Congress that set aside potentially more than a quarter of a million acres in the Tanana Valley outside Fairbanks for the support of an agriculture college and school of mines.

Following the practice established in the lower 48 States for the other land-grant colleges, Wickersham's bill set aside every section 33 of the unsurveyed Tanana Valley for the Alaska Agriculture College and Schools of Mines.

Alaska's educational future at that time looked favorable. Many Alaskans saw the opportunity to set up an endowment system similar to that set up by the University of Washington in the downtown center of Seattle, WA, where valuable university lands are leased providing funding for the university's maintenance and upkeep as well as some capital projects.

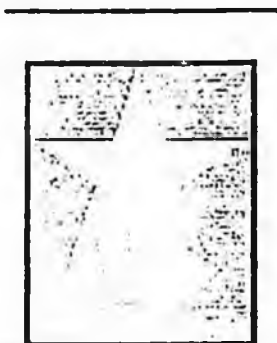
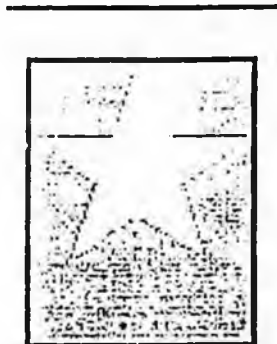
However, in Alaska's case, before the land could be transferred to the Alaska Agricultural College and School of Mines, renamed the University of Alaska in 1935, the land had to be surveyed in order to establish the exact acreage included in the reserve lands.

The section reserved for education could not be transferred to the college until they had been delineated. According to records at the time, it was unlikely given the incredibly slow speed of surveying that the land could be completely surveyed before the end of the current century. Surveying is still an extraordinarily slow process in Alaska's remote and unpopulated terrain.

In all, only 19 section 33's, or approximately 11,211 acres, were ever transferred to the University of Alaska. Of this, 2,250 acres were used for the original campus, and the remainder was left to the discretion of the board of regents to support educational programs and facilities.

Recognizing the difficulties of surveying in Alaska, subsequent legislation was passed in 1929 that simply granted land for the benefit of the university. This grant totaled approximately 100,000 acres, and to this day comprises the bulk of the university's total 111,211 acres of land--less than one-third of what was originally promised. In 1958, the Alaska Statehood Act was passed which extinguished the unfulfilled land grants. The university was thus left with little land with which to support itself and is thus unable to completely fulfill its mission as a land-grant college.

Mr. President, the legislation I am introducing today would redeem the promises made to the university in 1915 and put the university on an even footing with other land-grant colleges in the United States. It provides the university with the land needed to support itself financially and it offers the chance to grow and continue to act as a responsible steward of the land and educator of young Alaskans. It also provides a concrete timetable under which the university must select its land and the Secretary of Interior must act upon those selections.



This legislation also contains significant restrictions on the land that the university can select. The university cannot select land located within a conservation system unit, land validly conveyed to the State or an ANCSA corporation or land used in connection with Federal or military institutions.

Accordingly, Mr. President, under my bill, the university must relinquish extremely valuable inholdings in Alaska once it receives its second-tier State/Federal grant under section 6, of this bill. Therefore, the result of this legislation will mean, specifically, relinquishment of prime university inholdings in such magnificent areas as the Alaska Peninsula and Maritime National Wildlife Refuge, the Kenai Fjords National Park, Wrangell St. Elias National Park and Preserve and Denali Park and Preserve. Mr. President, not only does this bill uphold a decades-old promise to the University of Alaska, it further protects Alaska's unique parks and refuges.

Recognize, Mr. President, my bill requires the State to participate in the process, as well, under an option. Specifically, the bill would grant the university 250,000 acres of Federal land. The university would be eligible to receive another 250,000 acres of Federal land on a matching basis with the State, for a total of 500,000 additional acres. This would be at the option of the legislature, the Governor, and the university's board of regents

Mr. President, the State matching provision is an important component of this legislation. Most agree with the premise that the university was shorted land. However, some believe it is the sole responsibility of the Federal Government to compensate the university with land, while others believe it is solely the responsibility of the State to grant the university land. The legislation I am introducing today offers a compromise, a compromise giving both the State and the Federal Government the opportunity to contribute, as well as provide the Government with valuable inholdings in Federal parks and preserves.

With the passage of this bill, Mr. President, the University of Alaska will finally be able to act fully as a land grant college, and will be able to select lands that can provide the university with stable revenue sources, as well as provide responsible stewardship for the lands.

This is an exciting time for the University of Alaska. The promises that were made 82 years ago could be fulfilled with this legislation, and Alaskans could look forward to a very bright future for the university and the many Alaskans who receive an education there.

I ask unanimous consent, at this time, to have printed in the Record the proposed inholdings that the University has which would be deeded over to the Federal Government under this legislation, a history of the university of Alaska's land grant from the time we were designated as a territory, land grant rankings of all the States, as well as a copy of the bill.



SENATE FINANCE COMMITTEE

SIGN-IN

SB 7-INCREASE LAND GRANT TO UNIV. OF ALASKA

NAME: W Redman Subject/Bill No: SB7

Co./Dept./Title: U of A Phone: \_\_\_\_\_

Address: \_\_\_\_\_ Zip: \_\_\_\_\_

Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_

Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_

Address: \_\_\_\_\_ Zip: \_\_\_\_\_

Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_

Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_

Address: \_\_\_\_\_ Zip: \_\_\_\_\_

Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_

Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_

Address: \_\_\_\_\_ Zip: \_\_\_\_\_

Do you wish to testify?  Yes  No  Respond To Questions

Dick Mylius  
spoke w/  
Jane Arzvik  
on SB 7

(The one who broke in)  
+ did not identify