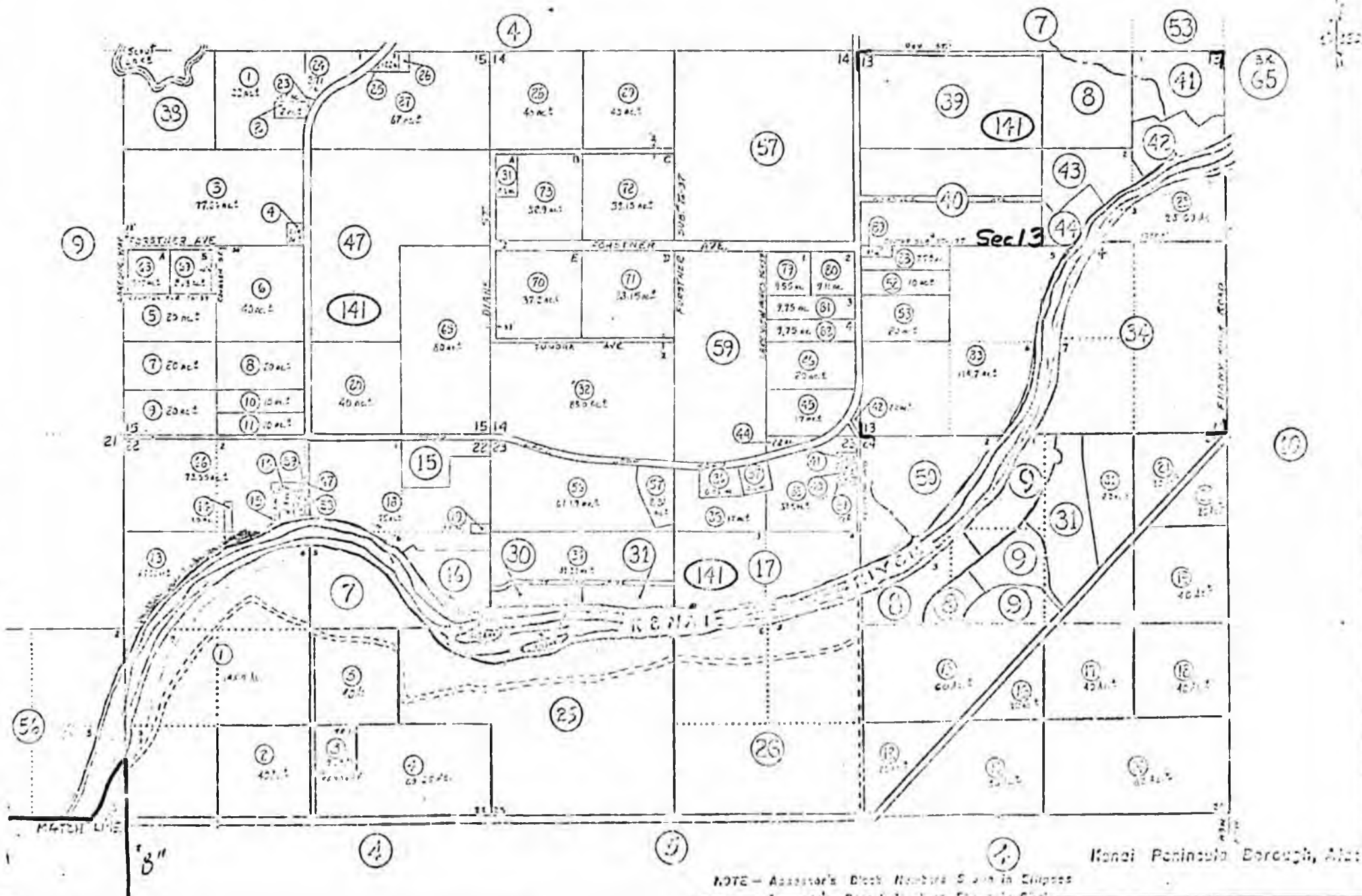


LEG. FINANCE - BILLS 1977 - 1978 833

HB 887 cont., thru HB 891

833

SEC. 13, 14, 15, 22, 23, 24, T.5N., R.5W., S.M.



NOTE - Assessor's Block Numbers Shown in Circles

Transcript of testimony by Héines Noonan on the North-South runway at Anchorage International Airport (HB 622) before the House Finance Committee, February 22, 1978:

Okay. What Mr. Hogan has referred to is that \$10.6M bond prospectus, which is this issue right here--Series E bonds. Now the Series E bond issue was defeased. It was successfully defeased, and the State made a lot... During defeasement, we sold it at a higher rate of interest than I had originally sold it to the bond holders, and we made \$70,000, which we gave to the general fund. Because according to IRS regulations on defeasements, you cannot, you know, keep money. You cannot make money on defeasements. But this \$10.6M is still carried on the books as bonds and are in a revolving--just like a revolving charge account, at the end, it's paid off every year. Bond rating went from an "A" rating to a "AAA" rating so that bond holders were successfully impacted on the State's problem.

Now the way it stands right now, the--okay, just to brief you on the problem with Anchorage--Anchorage is running a pretty successful operation. It's operations are roughly at \$16M in income, and it generates a \$6M profit. That's after deducting depreciation interest expenses--all of those. On the other hand, you have an operation which is also part of the enterprise fund--Fairbanks. It's operation is roughly \$2.1M, which has a \$1.8M loss. So the problem with the carriers right now is that ALPA--the Airline Pilots Association--has come out strongly... The two worst airports in the United States are Anchorage and LA; they both have black stars. Boston, Logan, used to be one, but it was removed because of some building.

Now with the...if you go to a Series F bond issue, or later on if you decide to build the terminal building with a Series G bond issue of over \$9M, you will be able to get the bond coverage. The bond coverage right now is 1.3 the minimum. Our bond coverage last year was 4.48, which is successful, and the carriers wanted reductions in rates--they had been holding them off successfully. Right now...I've talked to, just to give an idea, with Nurvene and Company, and \$17M can be sold for roughly 6-61/4% interest, but which would increase the debt service from \$1.9M that you have right now on existing bonds--you have \$21,360,000 worth of revenue bonds outstanding, and the revenue bonds right now for next fiscal year is roughly \$1.9M. If you were to add the \$17M in revenue bonds, the debt service would increase to \$3.9M; in other words, it would add another \$1.6M in interest and principal that would have to be paid.

Now the way the bond coverage works--it's a very artificial financial tool--you add your income that you make, deducting your total revenue, minus total cost, then you deduct your depreciation interest expenses; that gives you your net income. However, once you get your net income, you add depreciation and interest expenses back and that gives you your actual net income, and assuming that you have this--you know, that you will sell \$17M worth of bonds--you would reduce your bond coverage from 4.48 to roughly 1.92.

Now with Fairbanks getting greater losses and the possible deterioration of the yen, Japan, a possible deterioration of the German mark, a restriction of tourism--as far as taking yen out of Japan--you will...it's a possibility of a reduction in traffic--your traffic rate right now; it's increasing at the rate of roughly 10% in terms of jet landings, passengers about 8-9%; internationals on the other hand, you have 11-13%. You're big factor--it isn't so much your landing fees--it comes right out to where your concession fees are one of the primary objects of the game. It comes primarily from your duty-free shoppers. Duty-free shoppers contributed \$3.5M on 2000 square feet of retail space. Now 87% of those people are Japanese that buy goods that are duty free. So the Japanese economy, again, a direct link to Anchorage.

Now with your mention of Van Couver, the Van Couver principle has the invinics to...relatively explored by Japan Airlines, which estimates your carriage at Anchorage...it contributes 38.5% of the total revenue. The SP, again, we talked with Japan Airlines, at the present time they don't have any 747 SP's on order like Pan Am. Pan Am is not stopping in Fairbanks. Anymore, they are only stopping on the Anchorage to Portland route, but they are overflying with their SP's from the New York-Tokyo route. [Question asked: "What is an "SP"?] SP, "Special Performance", longer distances. But you can cram in 385 passengers, you are down to 245-260. But the air carriers, themselves, in regard to the proposal, have said they would like to go with the federal funding if at all possible, because sooner or later as you take--this bond issue which you are going to go... You go 20-25 years, you're going to have to have, sooner or later, an increase of rates. My determination in making some minor calculations, you might go 3-4 years without an increase in rates, but that's assuming that we can keep Fairbanks on a \$2--2-1/2M loss and that no deterioration in the Anchorage traffic.

HFC 78-18 #1133 - #1255

Introduced: 3/15/78
Referred: Resources and
Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 HOUSE BILL NO. 887

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-
7 ment of Natural Resources to acquire land for establish-
8 ment of the Funny River State Wayside; and provid'ng
9 for an effective date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 * Section 1. The sum of \$110,000 is appropriated from the general fund
12 to the Department of Natural Resources to acquire title to 13.89 acres at
13 the confluence of the Kenai and Funny Rivers for the future establishment of
14 a state wayside, to be known as the Funny River State Wayside.

15 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
16 070(c).

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STATE
of ALASKA

MEMORANDUM

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF PARKS

TO: Pat Conheady
Legislative Liaison
Office of the Commissioner

DATE: May 19, 1978

FILE NO: 2320-10

TELEPHONE NO: 274-4676

FROM: Al Meiners *AM*
Park Planner
Division of Parks

SUBJECT: H.B. 887 (Funny River)

I understand that some concern was raised in the House Finance Committee over the possibility of State lands existing in the vicinity of the proposed Funny River Wayside. Review of the land status plats show that the only State land which could serve the same purpose as the proposed Funny River Wayside is mental health land which has been leased for grazing. This land is located approximately a quarter-mile south of the area to be acquired under H.B. 887. A second parcel of mental health land which has not been leased for grazing is located two miles down river. Neither of these parcels currently provide reasonable road access to the river. I would estimate that to do what is proposed at Funny River on this State land would cost more than \$110,000 for road construction alone.

It is also interesting to note that in the immediate vicinity of the proposed Funny River Acquisition are numerous private recreation lands that were disposed by the State some years ago. Thus, while the State once owned land in this area which could have provided the public recreation access to the Kenai River, disposed of these lands for private recreation purposes and is now considering under H.B. 887 purchasing private lands for this purpose.

I believe you can safely state that no public land which can be feasibly developed for river access use exists within the Funny River area.

AHM:pg

RECEIVED
MAY 22 1978
Department of
Natural Resources

COMMITTEE REPORT

HOUSE

4/18/78

FURTHER: _____

Date: _____

Mr. Speaker:

The Committee on FINANCE has had HB 887

"An Act making a special appropriation to the Dept. of Natural Resources to acquire land for establishment of the Funny River State Wayside; e.d." under consideration and (a majority of the committee) (the committee reports it back as follows)

() recommends it do pass () recommends it do not pass

() recommends it do pass with attached amendment(s)

() recommends it be replaced with CS for _____

and _____ () new title () same title

() AND attaches a Letter of Intent () New Fiscal Note

() reports it back without recommendation

() and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

Introduced: 3/15/78
Referred: Resources and
Finance

5154
Chenoweth

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 HOUSE BILL NO. 887

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

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8 ment of the Funny River State Wayside; and providing
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14 a state wayside, to be known as the Funny River State Wayside.

15 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
16 070(c).

ALASKA STATE LEGISLATURE

TENTH... Legislature SECOND... Session

HOUSE BILL NO. 887
By THE RESOURCES COMMITTEE

"An Act making a special appropriation to the Department of Natural Resources to acquire land for establishment of the Funny River State Wayside; and providing for an effective date."

Funny River State Wayside

Introduced in the House ... 3-15-78 ... 19....

HISTORY IN THE HOUSE

19 78	Read first time and referred to Committee on Resources and Finance												
Mar. 15	Reported back with recommendation that												
	Read second time and												
	Read third time and												
	<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused		
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PASS	Effective Date												
Yeas	Yeas												
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Absent	Absent												
Excused	Excused												
	Reported correctly engrossed Signed by Speaker Sent to Senate												

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19	Read first time and referred to Committee on												
	Reported back with recommendation that												
	Read second time and												
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	Reported correctly engrossed Signed by President Returned to House												

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

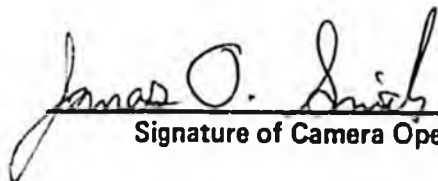
19	Received from Senate
	Concurred in Senate amendment thus adopting:
	Failed to concur in Senate amendment; asked Sen. to recede
	Senate receded from amendment
	Senate failed to recede from amendment
	FCC appointed by House
	FCC appointed by Senate
	FCC adopted
	To enrolling
	Reported correctly enrolled
	Sent to Governor
 by Governor
	Filed with Lt. Governor
	Chapter No.



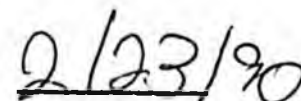
RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.



Signature of Camera Operator



Date

1	jail facility	Ketchikan	1,992,700
2	Renovate Sixth Avenue Jail		
3	Annex facilities	Anchorage	1,421,600
4	Renovate Third Avenue State		
5	Jail facilities	Anchorage	948,000
6	Construct McLaughlin Youth		
7	Facility Gymnasium	Anchorage	1,300,000
8	Construct State Jail Recreational		
9	and Program Facilities	Juneau	1,300,000
10	Install Fire Safety System		
11	McLaughlin Youth Facility	Anchorage	116,600
12	Construct correctional facility	Bethel	3,360,000
13	Purchase and install security		
14	fencing/lighting, Palmer		
15	State Jail	Palmer	1,171,400
16	Purchase and install security		
17	fencing/lighting, Eagle		
18	River State Jail	Eagle River	437,700
19	Construct storage and purchase		
20	food processing equipment	Palmer	177,000

21 * Sec. 3. The question whether the bonds authorized in this Act are to
 22 be issued shall be submitted to the qualified voters of the state at the
 23 next general election and shall read substantially as follows:

24 Proposition

25 State General Obligations Jails Construction
 26 Bonds \$24,600,000

27 Shall the State of Alaska issue its general obligation bonds
 28 in the principal amount of not more than \$24,600,000 for the
 29 purpose of paying the cost of capital improvements for con-

HB 890

N. B. There is no appropriation
language for sec. 2.

1	jail facility	Ketchikan	1,992,700
2	Renovate Sixth Avenue Jail		
3	Annex facilities	Anchorage	1,421,600
4	Renovate Third Avenue State		
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Proposition

State General Obligations Jails Construction

Bonds \$24,600,000

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than \$24,600,000 for the purpose of paying the cost of capital improvements for con-

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struction and equiping jails.

Bonds Yes []

Bonds No []

* Sec. 4. This Act takes effect immediately in accordance with AS 01.-
10.070(c).

COMMITTEE REPORT

HOUSE

5/11/78

FURTHER: _____

Date: _____

Mr. Speaker:

The Committee on FINANCE has had HB 890
"An Act providing for the issuance of g.o. bonds in the amount of \$24,600,000
for the purpose of paying the cost of capital improvements for correctional
facilities; e.d

under consideration and (a majority of the committee) (the committee
reports it back as follows)

recommends it do pass recommends it do not pass

recommends it do pass with attached amendment(s)

recommends it be replaced with CS for _____

and _____ new title same title

AND attaches a Letter of Intent New Fiscal Note

reports it back without recommendation

and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

Chairman

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

3/15/78

Date: _____

Mr. Speaker:

The Committee on HESS has had HB 890
"An Act providing for the issuance of g.o. bonds in the amount of
\$24,600,000 for the purpose of paying the cost of capital improvements
for correctional facilities; eff. date."

under consideration and (~~a majority of the committee~~) (the committee
~~reports it back as follows~~)

() recommends it do pass () recommends it do not pass

() recommends it do pass with attached amendment(s)

() recommends it be replaced with CS for HB 890

and that it be reported back w/ ^{recs.} ~~amend.~~ (X) new title () same title

() AND attaches a Letter of Intent () New Fiscal Note

() reports it back without recommendation

() and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

Tom Bennett Do Pass

W. Whafferton No Rec

LOD J. D. DAVIS

R. L. Bell No Rec

Charles Han Do Pass

Jim Cook No Rec

Charles Han

Chairman

Brodley

Original sponsor: Rules Committee
by request of the Governor

Offered: 5/11/78
Referred: Finance

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 CS FOR HOUSE BILL NO. 890

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-
7 tion bonds in the amount of \$25,390,000 for the purpose
8 of paying the cost of capital improvements for correc-
9 tional facilities; and providing for an effective
10 date."

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

12 * Section 1. For the purpose of paying the cost of capital improvements
13 for correctional facilities, general obligation bonds of the state in the
14 principal amount of not more than \$25,390,000 shall be issued and sold. The
15 full faith, credit, and resources of the state are pledged to the payment of
16 the principal of and interest and redemption premium, if any, on these bonds.
17 These bonds shall be issued under the provisions of AS 37.15 as those pro-
18 visions read at the time of issuance.

19 * Sec. 2. If the issuance of these bonds is authorized by the qualified
20 voters of the state, a special fund of the state to be known as the "1978
21 Correctional Facilities Construction Fund" shall be established, to which
22 shall be credited the proceeds of the sale of the bonds described in sec. 1
23 of this Act except for the accrued interest and premiums. To the extent
24 feasible, the proceeds of these bonds shall be allocated by the governor in
25 accordance with the following list of projects and estimates:

26 Project	Location	Amount
27 (1) Construct and equip pre-trial 28 jail facilities	Anchorage	\$ 12,367,000
29 (2) Construct and equip a regional		

COMMITTEE COPY

1	jail facility	Ketchikan	1,992,700
2	(3) Construct Youth Facility	Fairbanks	2,400,000
3	(4) Renovate Sixth Avenue Jail		
4	Annex facilities	Anchorage	1,421,600
5	(5) Renovate Third Avenue State		
6	Jail facilities	Anchorage	948,000
7	(6) Construct McLaughlin Youth		
8	Facility gymnasium	Anchorage	1,300,000
9	(7) Construct State Jail recreational		
10	and program facilities	Juneau	1,300,000
11	(8) Install fire safety system		
12	McLaughlin Youth Facility	Anchorage	116,600
13	(9) Construct correctional facility	Bethel	3,360,000
14	(10) Construct storage and purchase		
15	food processing equipment	Palmer	177,000

* Sec. 3. If the issuance of these bonds is authorized by the qualified voters of the state, the amount of \$89,000 or as much of that amount as is found necessary is appropriated from the general fund of the state to the state bond committee to carry out the provisions of this Act and to pay expenses incident to the sale and issuance of the bonds authorized in this Act. The amounts expended from the appropriation authorized by this section shall be reimbursed to the general fund from the proceeds of the sale of the bonds authorized by this Act.

* Sec. 4. The amount withdrawn from the public facility planning fund for the purpose of advance planning for the improvements financed under this Act shall be reimbursed to the fund from the proceeds of the sale of bonds authorized by this Act.

* Sec. 5. The question whether the bonds authorized in this Act are to be issued shall be submitted to the qualified voters of the state at the next

1 general election and shall read substantially as follows:

2 Proposition

3 State General Obligations Jails Construction

4 Bonds \$25,390,000

5 Shall the State of Alaska issue its general obligation bonds
6 in the principal amount of not more than \$25,390,000 for the
7 purpose of paying the cost of capital improvements for con-
8 struction and equipping jails?

9 Bonds Yes []

10 Bonds No []

11 * Sec. 6. This Act takes effect immediately in accordance with AS 01.-
12 10.070(c).

Introduced: 3/15/78
Referred: Health, Education &
Social Services and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 890

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-
7 tion bonds in the amount of \$24,600,000 for the
8 purpose of paying the cost of capital improvements
9 for correctional facilities; and providing for an
10 effective date."

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

12 * Section 1. For the purpose of paying the cost of capital improvements
13 for correctional facilities, general obligation bonds of the state in the
14 principal amount of not more than \$24,600,000 shall be issued and sold.
15 The full faith, credit, and resources of the state are pledged to the pay-
16 ment of the principal of and interest and redemption premium, if any, on
17 these bonds. These bonds shall be issued under the provisions of AS 37.15
18 as those provisions read at the time of issuance.

19 * Sec. 2. If the issuance of these bonds is authorized by the qualified
20 voters of the state, a special fund of the state to be known as the "1978
21 Correctional Facilities Construction Fund" shall be established, to which
22 shall be credited the proceeds of the sale of the bonds described in sec. 1
23 of this Act except for the accrued interest and premiums. To the extent
24 feasible, the proceeds of these bonds shall be allocated by the governor in
25 accordance with the following list of projects and estimates:

<u>Project</u>	<u>Location</u>	<u>Amount</u>
Construct and equip pre-trial jail facilities	Anchorage	\$ 12,367,000
Construct and equip a regional		

1	jail facility	Ketchikan	1,992,700
2	Renovate Sixth Avenue Jail		
3	Annex facilities	Anchorage	1,421,600
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7	Facility Gymnasium	Anchorage	1,300,000
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 23 next general election and shall read substantially as follows:

24 Proposition

25 State General Obligations Jails Construction

26 Bonds \$24,600,000

27 Shall the State of Alaska issue its general obligation bonds
 28 in the principal amount of not more than \$24,600,000 for the
 29 purpose of paying the cost of capital improvements for con-

1 struction and equiping jails.

2 Bonds Yes []

3 Bonds No []

4 * Sec. 4. This Act takes effect immediately in accordance with AS 01.-
5 10.070(c).

ALASKA STATE LEGISLATURE

TENTH... Legislature SECOND... Session

HOUSE BILL NO. 890.....

By THE RULES COMMITTEE BY....
REQUEST OF THE GOVERNOR

"An Act providing for the issuance of general obligation bonds in the amount of \$24,600,000 for the purpose of paying the cost of capital improvements for correctional facilities; and providing for an effective date."

g.o.bonds \$24,600, correct. fac.

Introduced in the House 3-15-19.78

HISTORY IN THE HOUSE

1978		Read first time and referred to Committee on										
Mar.	15	HESS and Finance										
		Reported back with recommendation that										
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		Reported correctly engrossed										
		Signed by Speaker										
		Sent to Senate										
CHIEF CLERK OF THE HOUSE												

HISTORY IN THE SENATE

19		Read first time and referred to Committee on										
		Reported back with recommendation that										
		Read second time and										
		Read third time and										
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Excused	Excused											
		Reported correctly engrossed										
		Signed by President										
		Returned to House										
SECRETARY OF THE SENATE												

HISTORY IN THE HOUSE

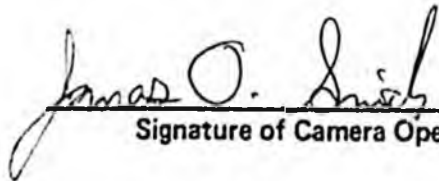
19	Received from Senate
	Concurred in Senate amendment thus adopting:
	Failed to concur in Senate amendment; asked Sen. to recede
	Senate receded from amendment
	Senate failed to recede from amendment
	FCC appointed by House
	FCC appointed by Senate
	FCC adopted
	To enrolling
	Reported correctly enrolled
	Sent to Governor
 by Governor
	Filed with Lt. Governor
	Chapter No.

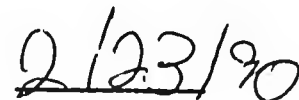


RECORDS CERTIFICATION



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Signature of Camera Operator


Date

COMMITTEE REPORT

HOUSE

4/14/78

FURTHER: _____

Date: 4-15-78

Mr. Speaker:

The Committee on FINANCE has had HB 891

"An Act providing for the reorganization of the U of A; e.d."

~~under~~ consideration and (a majority of the committee) (the committee reports it back as follows)

- () recommends it do pass () recommends it do not pass
- () recommends it do pass with attached amendment(s)
- (X) recommends it be replaced with CS for HB 891 (FINANCE)

and that it do pass with attached amendments () new title () same title

- () AND attaches a Letter of Intent () New Fiscal Note
- () reports it back without recommendation
- () and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

[Signature]

[Signature]

[Signature]

[Signature]

Whole Do Not Pass

[Signature]

Chairman

A M E N D M E N T

OFFERED IN THE HOUSE:

By: FINANCE

To: COMMITTEE SUBSTITUTE HOUSE BILL No. 891 (Finance)

SENATE BILL No. _____

PAGE: _____

LINE: _____

Page 12, line 21:

After "designate" delete "an" and insert "a campus"

Page 13, line 28:

After "assure" delete "proper"

Page 13, line 28:

After "funds" delete "." and add "is in accordance
with the budget approved by the campus student
government organization."

Original sponsor: Health, Education
and Social Services Committee

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

CS FOR HOUSE BILL NO. 891 (Finance)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the University of Alaska; and
7 providing for an effective date."

8

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9

* Section 1. FINDINGS AND PURPOSE. (a) The legislature finds

10

(1) that the accelerated growth of the University of Alaska in

11

recent years has reached the point at which the highly centralized governance
12 and administrative structure of earlier years is no longer adequate;

13

(2) that the traditional Alaskan characteristics of independence,

14

self-reliance and initiative, and the wide variety of needs and interests at
15 the various campuses, make a decentralization of control and operations both
16 desirable and feasible; and

17

(3) that decentralization of the university will also free the

18

Board of Regents to fulfill the governance functions which it alone can

19

perform: the establishment and monitoring of policy and long-range plan-
20 ning.

21

(b) It is the purpose of this Act to ensure that authority and commen-

22

surate responsibility are delegated to the lowest level capable of assuming

23

them, that citizens served by a branch of the University of Alaska have an

24

opportunity to influence decisions which concern them, and that, within

25

funding limitations, all citizens of the state be served.

26

* Sec. 2. AS 14.40 is amended by adding new sections to read:

27

Sec. 14.40.011. UNIVERSITY OF ALASKA. (a) The University of

28

Alaska is established as a statewide system. The purpose of the uni-

29

versity system is to provide teaching, research, and public service

1 postsecondary programs for the entire state.

2 (b) The components of the statewide university system are:

3 (1) the University of Alaska campus at Fairbanks, which is
4 authorized to conduct degree programs on the baccalaureate, master's,
5 and doctoral levels and to offer non-credit and off-campus courses and
6 programs of research and community service, subject to regulations of
7 general applicability to institutions offering baccalaureate and grad-
8 uate degrees which may be adopted by the Board of Regents;

9 (2) the University of Alaska campus at Anchorage, which is
10 authorized to conduct degree programs on the baccalaureate, master's and
11 doctoral levels and to offer non-credit and off-campus courses and pro-
12 grams of research and community service, subject to regulations of
13 general applicability to institutions offering baccalaureate and grad-
14 uate degrees which may be adopted by the Board of Regents;

15 (3) the University of Alaska campus at Juneau, which is
16 authorized to conduct degree programs on the baccalaureate and master's
17 levels designated by the Board of Regents and to offer non-credit and
18 off-campus courses and programs of research and community service,
19 subject to regulations of general applicability to institutions offering
20 baccalaureate and graduate degrees which may be adopted by the Board of
21 Regents; and

22 (4) the community college division, comprised of those com-
23 munity college campuses in existence on the effective date of this Act,
24 which are authorized to conduct lower division programs leading to
25 associate degrees as designated for each community college by the Board
26 of Regents, and to provide non-credit, community service courses, general
27 education and transfer courses and specific certificate programs autho-
28 rized under policies of the Board of Regents; each community college, in
29 cooperation with a university, may sponsor and conduct upper division

1 receive credit through a university.

2 * Sec. 3. AS 14.40 is amended by adding a new section to read:

3 Sec. 14.40.015. NEW CAMPUSES. In addition to the components of the
4 university specified in sec. 11(b) of this chapter, a new campus of the
5 University of Alaska may be established by the Board of Regents after
6 approval by the legislature of a plan which shall contain, as a minimum,

7 (1) a needs assessment;

8 (2) a description of the key elements of the educational pro-
9 grams to be offered; and

10 (3) a budget for the first year of operation of the campus
11 and projected budgets for the second and third years of operation.

12 * Sec. 4. AS 14.40.020 is amended to read:

13 Sec. 14.40.020. SITE OF UNIVERSITY. The University of Alaska is
14 the beneficiary under the provisions of the Act of Congress approved
15 August 30, 1890, designating the Alaska Agricultural College and School
16 of Mines as beneficiary and the four sections of land specified by the
17 Act of Congress approved March 4, 1915, and used as a site for the
18 Alaska Agricultural College and School of Mines are the site for the
19 University of Alaska at Fairbanks.

20 * Sec. 5. AS 14.40.100 is amended to read:

21 Sec. 14.40.100. COOPERATIVE [COLLEGE] EXTENSION SERVICE. The
22 regents may conduct a cooperative [COLLEGE] extension service, the
23 leading object of which is to carry information on rural life subjects
24 to the people of the state. The cooperative extension service shall
25 function under the jurisdiction of the University of Alaska at
26 Fairbanks.

27 * Sec. 6. AS 14.40 is amended by adding new sections to read:

28 Sec. 14.40.105. RESEARCH CENTERS AND OUTREACH ACTIVITIES. The
29 Board of Regents may assign to appropriate campuses or the community
30

1 college division the responsibility for operation of research centers
2 and institutes and for off-campus teaching, research, and public service
3 activities which may include but are not limited to the establishment of
4 learning centers, itinerant instruction, instruction on military bases,
5 courses taught by radio or television, and correspondence courses.

6 Sec. 14.40.107. INTERCAMPUS PROGRAMS. The Board of Regents may
7 establish intercampus programs which it considers necessary, and assign
8 management responsibility to the appropriate campus.

9 Sec. 14.40.155. IMMUNITY OF REGENTS FROM PERSONAL LIABILITY.
10 Members of the Board of Regents are immune from personal liability with
11 respect to all acts done or actions taken in good faith within the scope
12 of their authority during regular and special meetings of the board.

13 * Sec. 7. AS 14.40.120 is amended by adding a new subsection to read:

14 (b) The governance function of the Board of Regents includes the
15 adoption of policy for the operation of the university system, the
16 adoption of regulations recommended by the president for implementation
17 of policy, and the monitoring and evaluation of policy implementation.

18 * Sec. 8. AS 14.40.170(a)(2) - (4) are amended to read:

19 (2) fix the compensation of the president of the university,
20 the comptroller of the university, and the chancellors, and adopt com-
21 penetration schedules or patterns for all other employees [ALL HEADS OF
22 DEPARTMENTS, PROFESSORS, TEACHERS, INSTRUCTORS AND OTHER OFFICERS];

23 (3) approve the establishment of degree programs and deter-
24 mine their location; confer [SUCH APPROPRIATE] degrees upon completion
25 of requirements [AS IT MAY DETERMINE AND PRESCRIBE];

26 (4) have the care, control and management of all the real and
27 personal property [AND ALL MONEY] of the university; provide for the
28 delegation of administrative responsibility for the property reasonably
29 necessary for the administration of each of the university components

1 set out in sec. 11(b) of this chapter to the chancellor of the respec-
2 tive component;

3 * Sec. 9 AS 14.40.170(a) is amended by adding new paragraphs to read:

4 (7) review and approve budgets, and transmit recommendations
5 on the budgets to the governor and legislature together with all sup-
6 porting information and complete documentation of actions taken at all
7 stages of the budget review process; the information and documentation
8 provided shall include operating and capital budget requests made at all
9 levels involved in the budgeting process;

10 (8) approve the staffing pattern and functional responsibili-
11 ties of the president's staff;

12 (9) adopt regulations for standard administration of the
13 university system; the regulations adopted shall include, but need not
14 be limited to,

15 (A) stipulation of degrees to be offered, the degree
16 requirements, transferability of credits for degree programs, and
17 the clock hour requirements for credit courses;

18 (B) student admission standards;

19 (C) qualifications, promotion, tenure and dismissal
20 standards, and pay and fringe benefits for faculty;

21 (D) personnel policies and pay and fringe benefit pro-
22 visions for employees other than faculty;

23 (E) uniform accounting and business procedures;

24 (F) uniform budgeting procedures; and

25 (G) standard systemwide management information data sys-
26 tems;

27 (10) establish fee schedules for the statewide system;

28 (11) provide for both short- and long-range planning of pro-
29 grams and campus development;

1 (12) provide for both internal and external audit functions,
2 and transmit an annual audit report to the governor and legislative
3 auditor, together with its comments;

4 (13) establish policies for fiscal and management control;

5 (14) constitute the final board of appeal in all matters which
6 are within its jurisdiction, and provide for an appeal process;

7 (15) carry out other duties as prescribed by law.

8 * Sec. 10. AS 14.40.170(b) is amended by adding a new paragraph to read:

9 (3) in addition to the campus advisory councils authorized by
10 sec. 278 of this chapter, establish policy advisory groups, both in-
11 ternal and external, as it considers necessary.

12 * Sec. 11. AS 14.40.190 is amended to read:

13 Sec. 14.40.190. REPORT TO THE LEGISLATURE. The Board of Regents
14 shall make a written report to the legislature at the beginning of its
15 regular sessions of the condition of the university property, of all
16 receipts and expenditures, including but not limited to the administra-
17 tion and disposition of appropriated and restricted funds, and of the
18 educational and other work performed. The report shall include annually
19 updated five-year plans for program development and facilities develop-
20 ment submitted in summary form.

21 * Sec. 12. AS 14.40.210 is amended to read:

22 Sec. 14.40.210. DUTIES [POWERS] OF THE PRESIDENT OF THE UNIVER-
23 SITY. The president of the University of Alaska shall [MAY]

24 (1) give general direction to the work of the institution in
25 all its departments subject to the approval of the Board of Regents;

26 (2) with the approval of the Board of Regents, appoint the
27 chancellors and the staff of the president's office; [DEANS, HEADS OF
28 DEPARTMENTS, PROFESSORS, ASSISTANTS, INSTRUCTORS, TUTORS AND OTHER OFFI-
29 CERS OF THE UNIVERSITY TO THE POSITIONS ESTABLISHED BY THE BOARD OF

1 REGENTS]

2 (3) provide the staff work and recommendations upon which the
3 Board of Regents may base adoption of policy and by which the board may
4 carry out its responsibility for monitoring and evaluating policy im-
5 plementation;

6 (4) provide leadership and direction for implementation of
7 policies of the Board of Regents;

8 (5) provide intra-system coordination, monitor and evaluate
9 the conduct of all university programs, and report periodically to the
10 Board of Regents;

11 (6) review the functional organization and staffing patterns
12 submitted by the chancellors;

13 (7) provide for the compilation, publication, distribution
14 and consistent updating of the policies and regulations of the Board of
15 Regents;

16 (8) appoint the members of the campus advisory councils
17 established under sec. 278 of this chapter; and

18 (9) meet regularly with the chancellors and president's staff
19 and consult with them on the conduct of their functions.

20 * Sec. 13. AS 14.40.230 is amended to read:

21 Sec. 14.40.230. POWERS OF REGENTS TO REMOVE OFFICERS. (a) The
22 Board of Regents may remove from office any officer of the institution
23 by a majority vote of the whole board [WHEN IN ITS JUDGMENT THE GOOD OF
24 THE UNIVERSITY REQUIRES IT]. An officer removed under this section
25 shall be notified of his removal and of his opportunity to apply to the
26 board for a hearing and reconsideration of its decision.

27 (b) Upon application filed with the Board of Regents within 10
28 days of receipt of notice of removal under (a) of this section, an offi-
29 cer is entitled to a hearing before the board on the validity of the

1 cause specified in the notice of removal. The hearing shall occur
2 within 30 days of the date of filing of application. Upon consideration
3 of all evidence, including evidence provided at the hearing provided in
4 accordance with this subsection, the board shall uphold or reverse the
5 decision made under (a) of this section.

6 * Sec. 14. AS 14.40 is amended by adding new sections to read:

7 ARTICLE 2A. ADMINISTRATION OF THE CAMPUSES.

8 Sec. 14.40.272. CAMPUS ADMINISTRATION AUTHORIZED. (a) Each of
9 the campuses designated in sec. 11(b)(1) - (3) and the community college
10 division established in sec. 11(b)(4) of this chapter shall be under the
11 administrative direction of a chancellor. The chancellor of each campus
12 and the chancellor of the community college division shall have full
13 authority and operational responsibility under the direction of the
14 president of the university and in compliance with the systemwide poli-
15 cies established by the Board of Regents and the regulations of the
16 president which have received the approval of the Board of Regents.

17 (b) The organizational structure of each campus, and the organiza-
18 tional structure of the community college division, shall be determined
19 by the chancellor of each campus, or the chancellor of the community
20 college division.

21 Sec. 14.40.274. DUTIES OF CHANCELLORS. The chancellor of each
22 campus, and the chancellor of the community college division, shall, in
23 relation to the unit under his administration, implement the policies
24 established by the Board of Regents and, under these policies, is re-
25 sponsible for the following functions:

26 (1) leadership and supervision of all teaching, research and
27 public service programs conducted on his campus or within his division;

28 (2) preparation and submission to the Board of Regents of a
29 complete program budget, including all courses, programs and activities.

1 regardless of their sources of funding, and of requests for funds to
2 initiate or complete construction of capital improvements;

3 (3) management and administration of the property of the uni-
4 versity reasonably necessary for the administration of his unit;

5 (4) conduct of all administrative, student, and business
6 services essential to the operation of the campus or division, and the
7 maintenance of accurate and complete books of accounts;

8 (5) employment of faculty and support services staff and
9 provision for payroll completion and personnel services;

10 (6) provision of management information data as required by
11 the Board of Regents or the president;

12 (7) provision of an annual report to the Board of Regents,
13 through the president, relating to the conduct of programs and the
14 administration of the campus or division under his supervision;

15 (8) completion of other periodic reports which may be re-
16 quested by the president or the Board of Regents.

17 Sec. 14.40.276. CAMPUS PRESIDENTS. The chancellor of the com-
18 munity college division shall

19 (1) with the approval of the Board of Regents, appoint the
20 president of each community college;

21 (2) delegate the administration of the administrative and
22 supervisory functions described in sec. 274 of this chapter to the
23 presidents of the community college campuses within the division, to the
24 maximum extent practicable.

25 Sec. 14.40.278. CAMPUS ADVISORY COUNCILS. (a) An advisory coun-
26 cil is established for each campus of the University of Alaska. Members
27 of a campus advisory council shall be appointed by the chancellor or
28 campus president.

29 (b) A campus advisory council may, by resolution, advise the Board

1 of Regents with respect to institutional program direction, campus
2 management and organizational systems, campus budget submissions, ap-
3 pointment or dismissal of campus administrators, and other policy issues
4 as appropriate.

5 * Sec. 15. AS 14.40.290 is amended by adding a new subsection to read:

6 (d) There is created a special contingency fund for the University
7 of Alaska. The legislature may annually appropriate to the contingency
8 fund an amount not to exceed one per cent of the total funds appro-
9 priated from the general fund for operations of the university. Amounts
10 appropriated to the special contingency fund for the university may be
11 allocated by the Board of Regents to meet unfunded necessary expenses of
12 the university system. Transfers from the special contingency fund to
13 the account of any campus or for any other purpose shall be reported by
14 the president to the division of budget and management, Office of the
15 Governor, and to the Legislative Budget and Audit Committee.

16 * Sec. 16. AS 14.40 is amended by adding a new section to read:

17 Sec. 14.40.315. FISCAL PROCEDURES. (a) Budgets for the compo-
18 nents of the statewide system shall be prepared in accordance with
19 general requirements set out in the Executive Budget Act (AS 37.07), and
20 on forms prescribed by the division of budget and management in the
21 Office of the Governor. Budget submissions shall be completed by each
22 chancellor or campus president based upon opportunity for maximum in-
23 volvement in the budget preparation process by persons responsible for
24 programs, shall reflect the objectives of the programs, and shall con-
25 tain supporting data and justifications.

26 (b) Within the process of preparation and review of budget sub-
27 missions, the requests of the deans, directors and department heads and
28 the actions of community college campus presidents, chancellors, and the
29 president shall be clearly delineated.

1 (c) Actions of the Board of Regents on budgets submitted by the
2 chancellors shall be delineated and documented on the budget forwarded
3 to the governor in accordance with AS 37.07.050. Copies of the original
4 request from the campus presidents, deans and directors, together with
5 the record of all changes and recommendations made at each stage of the
6 budget review process, shall be forwarded by the president of the uni-
7 versity to the governor and the legislature.

8 (d) The budget submission for the Board of Regents and for the
9 office of president of the university shall be prepared by the president
10 and provided to the Board of Regents for its review and approval. The
11 budget submission shall be transmitted to the governor in accordance
12 with AS 37.07.050.

13 (e) Appropriations to the statewide university system shall speci-
14 fy the amount appropriated to each campus designated in sec. 11(b)(1) -
15 (3) of this chapter and to each community college within the community
16 college division. There shall be no transfers of funds between or among
17 the campuses designated in sec. 11(b)(1) - (3) of this section, between
18 any of those campuses and the community college division, or between
19 community colleges within the community college division. Transfers
20 between allocations for a university campus may be made by the chancel-
21 lor, and transfers between allocations for a community college may be
22 made by the president of the community college. Transfers between
23 allocations shall be reported to the president of the university, the
24 Board of Regents, the division of budget and management in the Office of
25 the Governor, and the Legislative Budget and Audit Committee.

26 * Sec. 17. AS 14.40.340 is amended to read:

27 Sec. 14.40.340. APPLICABILITY OF BID PRACTICES TO THE UNIVERSITY
28 OF ALASKA. The competitive bid practices of [SET FORTH IN] AS 37.05.230
29 apply to the University of Alaska, except that the provisions of that
30

1 section [ACT] do not apply in those cases where the work is to be per-
2 formed substantially by students enrolled in the university. Where the
3 term "purchasing agent" is used in AS 37.05, it means the position
4 identified by the Board of Regents for that purpose [COMPTROLLER OF THE
5 UNIVERSITY].

6 * Sec. 18. AS 14.40.440 is amended to read:

7 Sec. 14.40.440. UNIVERSITY DESIGNATED BENEFICIARY OF SMITH-LEVER
8 ACT AND EMPOWERED TO CARRY ON COOPERATIVE [AGRICULTURAL] EXTENSION WORK.
9 The University of Alaska is designated as the beneficiary under the
10 provisions of the Smith-Lever Act, and may administer and carry on
11 cooperative [AGRICULTURAL] extension work in the state in cooperation
12 with the United States Department of Agriculture, under the jurisdiction
13 of the University of Alaska at Fairbanks.

14 * Sec. 19. AS 14.40.250 is amended by adding a new subsection to read:

15 Sec. 14.40.250. REGENTS TO ACT AS TRUSTEES AND ADMINISTER CERTAIN
16 MONEY OR PROPERTY [FROM SOURCES OTHER THAN LEGISLATURE OR FEDERAL APPRO-
17 PRIATION]. (b) The Board of Regents shall collect, manage, and expend
18 student body fees established for each campus of the university in
19 accordance with sec. 255 of this chapter. The board is a trustee in the
20 management of the funds received from the levy and collection of the
21 student body fees. The board shall designate an officer responsible for
22 the collection and management of the fees, and the officer designated
23 may expend funds only in accordance with the budget approved by the
24 campus student government organization.

25 * Sec. 20. AS 14.40 is amended by adding a new section to read:

26 Sec. 14.40.255. STUDENT BODY FEES. (a) The student government
27 organization of each of the campuses designated in sec. 11(b)(1) - (3)
28 of this chapter and each campus of the community college division estab-
29 lished in sec. 11(b)(4) of this section may establish a student body fee

1 in accordance with the provisions of this section. If a campus student
2 government organization establishes a fee under this section, it shall
3 adopt an annual budget providing for the expenditure of the fees which
4 are received.

5 (b) No fee may be imposed by a campus student government organiza-
6 tion under this section unless the fee is first approved by a majority
7 of the students of that campus voting at an election. A fee approved
8 under this subsection constitutes a maximum fee. The campus student
9 government organization may thereafter levy a fee that is equal to or
10 less than the amount of the fee approved at the election, but may not
11 levy a fee in excess of that amount without approval of the campus
12 student body as provided in this subsection.

13 (c) The annual budget adopted by a campus student government
14 organization under (a) of this section shall be reported to the Board of
15 Regents. The Board of Regents may, by a vote of three-fourths of its
16 entire membership, return the budget to the student government organiza-
17 tion for consideration of any amendments which the board may suggest.

18 (d) With respect to a student body fee proposed or established
19 under this section, the Board of Regents may not

20 (1) prohibit an election for the purposes of (b) of this
21 section;

22 (2) prohibit a campus student government organization from
23 determining the amount of the fee to be levied on students at its campus

24 (3) revise a budget submitted by a student government organi-
25 zation under (c) of this section; and

26 (4) impose any requirement of signature or review as a requi-
27 site to commitment or use of funds except those signature requirements
28 reasonably necessary to assure proper expenditure of the funds.

29 * Sec. 21. ASSISTANCE OF ALASKA POSTSECONDARY EDUCATION COMMISSION. The

1 Alaska Postsecondary Education Commission is directed to initiate a study to
2 develop, in cooperation with the community college division chancellor and
3 the presidents of the community colleges, a plan for financial support for
4 community colleges comparable in principle to the method of providing finan-
5 cial support for elementary and secondary education. The study and plan
6 developed shall be reviewed by the Board of Regents and forwarded to the
7 division of budget and management, Office of the Governor, and the Legisla-
8 tive Budget and Audit Committee not later than December 1, 1978.

9 * Sec. 22. TRANSITIONAL MEASURES. (a) Except as provided in AS 14.40.-
10 020, amended by sec. 4 of this Act, in AS 14.40.100, amended by sec. 5 of
11 this Act, and AS 14.40.440, amended in sec. 18 of this Act, institutes,
12 centers or activities which are under the jurisdiction of a particular campus
13 or the jurisdiction of the division of community colleges shall continue
14 under the respective jurisdiction until changed or altered by action of the
15 Board of Regents.

16 (b) Personnel, financial and student support services, including re-
17 sponsibility for campus administration set out in AS 14.40.272 - 14.40.276,
18 enacted by sec. 14 of this Act, and fiscal procedures, set out in AS 14.40.-
19 315, enacted by sec. 16 of this Act, shall be decentralized not later than
20 July 1, 1979. To achieve a responsible transition, the Board of Regents
21 shall prepare an interim report on decentralization and transition and submit
22 the report during the first week of the First Session of the Eleventh Legisla-
23 ture, together with any recommendations which the board may have for addi-
24 tional legislation or for amendment of any portion of this Act.

25 * Sec. 23. AS 14.40.560 - 14.40.640 are repealed. Repeal of AS 14.40.-
26 560 - 14.40.640 does not, of itself, affect community colleges in existence
27 on the effective date of this section, and all agreements between a unit of a
28 community college and a school district or political subdivision entered into
29 under authority of AS 14.40.570 - 14.40.580, repealed by this section, shall

1 continue in force until the expiration date provided in the agreement or
2 until mutually cancelled.

3 * Sec. 24. AS 14.40.010 is repealed.

4 * Sec. 25. Section 3 of this Act takes effect July 1, 1980. Sections 1,
5 2, and 4 - 24 of this Act take effect July 1, 1978.

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Original sponsor: Health, Education
and Social Services Committee

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 891 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the University of Alaska; and
7 providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. FINDINGS AND PURPOSE. (a) The legislature finds

10 (1) that the accelerated growth of the University of Alaska in
11 recent years has reached the point at which the highly centralized governance
12 and administrative structure of earlier years is no longer adequate;

13 (2) that the traditional Alaskan characteristics of independence,
14 self-reliance and initiative, and the wide variety of needs and interests at
15 the various campuses, make a decentralization of control and operations both
16 desirable and feasible; and

17 (3) that decentralization of the university will also free the
18 Board of Regents to fulfill the governance functions which it alone can
19 perform: the establishment and monitoring of policy and long-range plan-
20 ning.

21 (b) It is the purpose of this Act to ensure that authority and commensurate
22 responsibility are delegated to the lowest level capable of assuming
23 them, that citizens served by a branch of the University of Alaska have an
24 opportunity to influence decisions which concern them, and that, within
25 funding limitations, all citizens of the state be served.

26 * Sec. 2. AS 14.40 is amended by adding new sections to read:

27 Sec. 14.40.011. UNIVERSITY OF ALASKA. (a) The University of
28 Alaska is established as a statewide system. The purpose of the uni-
29 versity system is to provide teaching, research, and public service

1 postsecondary programs for the entire state.

2 (b) The components of the statewide university system are:

3 (1) the University of Alaska campus at Fairbanks, which is
4 authorized to conduct degree programs on the baccalaureate, master's,
5 and doctoral levels and to offer non-credit and off-campus courses and
6 programs of research and community service, subject to regulations of
7 general applicability to institutions offering baccalaureate and grad-
8 uate degrees which may be adopted by the Board of Regents;

9 (2) the University of Alaska campus at Anchorage, which is
10 authorized to conduct degree programs on the baccalaureate, master's and
11 doctoral levels and to offer non-credit and off-campus courses and pro-
12 grams of research and community service, subject to regulations of
13 general applicability to institutions offering baccalaureate and grad-
14 uate degrees which may be adopted by the Board of Regents;

15 (3) the University of Alaska campus at Juneau, which is
16 authorized to conduct degree programs on the baccalaureate and master's
17 levels designated by the Board of Regents and to offer non-credit and
18 off-campus courses and programs of research and community service,
19 subject to regulations of general applicability to institutions offering
20 baccalaureate and graduate degrees which may be adopted by the Board of
21 Regents; and

22 (4) the community college division, comprised of those com-
23 munity college campuses in existence on the effective date of this Act,
24 which are authorized to conduct lower division programs leading to
25 associate degrees as designated for each community college by the Board
26 of Regents, and to provide non-credit, community service courses, general
27 education and transfer courses and specific certificate programs autho-
28 rized under policies of the Board of Regents; each community college, in
29 cooperation with a university, may sponsor and conduct upper division

1 receive credit through a university.

2 * Sec. 3. AS 14.40 is amended by adding a new section to read:

3 Sec. 14.40.015. NEW CAMPUSES. In addition to the components of the
4 university specified in sec. 11(b) of this chapter, a new campus of the
5 University of Alaska may be established by the Board of Regents after
6 approval by the legislature of a plan which shall contain, as a minimum,

7 (1) a needs assessment;

8 (2) a description of the key elements of the educational pro-
9 grams to be offered; and

10 (3) a budget for the first year of operation of the campus
11 and projected budgets for the second and third years of operation.

12 * Sec. 4. AS 14.40.020 is amended to read:

13 Sec. 14.40.020. SITE OF UNIVERSITY. The University of Alaska is
14 the beneficiary under the provisions of the Act of Congress approved
15 August 30, 1890, designating the Alaska Agricultural College and School
16 of Mines as beneficiary and the four sections of land specified by the
17 Act of Congress approved March 4, 1915, and used as a site for the
18 Alaska Agricultural College and School of Mines are the site for the
19 University of Alaska at Fairbanks.

20 * Sec. 5. AS 14.40.100 is amended to read:

21 Sec. 14.40.100. COOPERATIVE [COLLEGE] EXTENSION SERVICE. The
22 regents may conduct a cooperative [COLLEGE] extension service, the
23 leading object of which is to carry information on rural life subjects
24 to the people of the state. The cooperative extension service shall
25 function under the jurisdiction of the University of Alaska at
26 Fairbanks.

27 * Sec. 6. AS 14.40 is amended by adding new sections to read:

28 Sec. 14.40.105. RESEARCH CENTERS AND OUTREACH ACTIVITIES. The
29 Board of Regents may assign to appropriate campuses or the community

1 college division the responsibility for operation of research centers
2 and institutes and for off-campus teaching, research, and public service
3 activities which may include but are not limited to the establishment of
4 learning centers, itinerant instruction, instruction on military bases,
5 courses taught by radio or television, and correspondence courses.

6 Sec. 14.40.107. INTERCAMPUS PROGRAMS. The Board of Regents may
7 establish intercampus programs which it considers necessary, and assign
8 management responsibility to the appropriate campus.

9 Sec. 14.40.155. IMMUNITY OF REGENTS FROM PERSONAL LIABILITY.
10 Members of the Board of Regents are immune from personal liability with
11 respect to all acts done or actions taken in good faith within the scope
12 of their authority during regular and special meetings of the board.

13 * Sec. 7. AS 14.40.120 is amended by adding a new subsection to read:

14 (b) The governance function of the Board of Regents includes the
15 adoption of policy for the operation of the university system, the
16 adoption of regulations recommended by the president for implementation
17 of policy, and the monitoring and evaluation of policy implementation.

18 * Sec. 8. AS 14.40.170(a)(2) - (4) are amended to read:

19 (2) fix the compensation of the president of the university,
20 the comptroller of the university, and the chancellors, and adopt com-
21 penetration schedules or patterns for all other employees [ALL HEADS OF
22 DEPARTMENTS, PROFESSORS, TEACHERS, INSTRUCTORS AND OTHER OFFICERS];

23 (3) approve the establishment of degree programs and deter-
24 mine their location; confer [SUCH APPROPRIATE] degrees upon completion
25 of requirements [AS IT MAY DETERMINE AND PRESCRIBE];

26 (4) have the care, control and management of all the real and
27 personal property [AND ALL MONEY] of the university; provide for the
28 delegation of administrative responsibility for the property reasonably
29 necessary for the administration of each of the university components

1 set out in sec. 11(b) of this chapter to the chancellor of the respec-
2 tive component;

3 * Sec. 9 AS 14.40.170(a) is amended by adding new paragraphs to read:

4 (7) review and approve budgets, and transmit recommendations
5 on the budgets to the governor and legislature together with all sup-
6 porting information and complete documentation of actions taken at all
7 stages of the budget review process; the information and documentation
8 provided shall include operating and capital budget requests made at all
9 levels involved in the budgeting process;

10 (8) approve the staffing pattern and functional responsibili-
11 ties of the president's staff;

12 (9) adopt regulations for standard administration of the
13 university system; the regulations adopted shall include, but need not
14 be limited to,

15 (A) stipulation of degrees to be offered, the degree
16 requirements, transferability of credits for degree programs, and
17 the clock hour requirements for credit courses;

18 (B) student admission standards;

19 (C) qualifications, promotion, tenure and dismissal
20 standards, and pay and fringe benefits for faculty;

21 (D) personnel policies and pay and fringe benefit pro-
22 visions for employees other than faculty;

23 (E) uniform accounting and business procedures;

24 (F) uniform budgeting procedures; and

25 (G) standard systemwide management information data sys-
26 tems;

27 (10) establish fee schedules for the statewide system;

28 (11) provide for both short- and long-range planning of pro-
29 grams and campus development;
30

1 (12) provide for both internal and external audit functions,
2 and transmit an annual audit report to the governor and legislative
3 auditor, together with its comments;

4 (13) establish policies for fiscal and management control;

5 (14) constitute the final board of appeal in all matters which
6 are within its jurisdiction, and provide for an appeal process;

7 (15) carry out other duties as prescribed by law.

8 * Sec. 10. AS 14.40.170(b) is amended by adding a new paragraph to read:

9 (3) in addition to the campus advisory councils authorized by
10 sec. 278 of this chapter, establish policy advisory groups, both in-
11 ternal and external, as it considers necessary.

12 * Sec. 11. AS 14.40.190 is amended to read:

13 Sec. 14.40.190. REPORT TO THE LEGISLATURE. The Board of Regents
14 shall make a written report to the legislature at the beginning of its
15 regular sessions of the condition of the university property, of all
16 receipts and expenditures, including but not limited to the administra-
17 tion and disposition of appropriated and restricted funds, and of the
18 educational and other work performed. The report shall include annually
19 updated five-year plans for program development and facilities develop-
20 ment submitted in summary form.

21 * Sec. 12. AS 14.40.210 is amended to read:

22 Sec. 14.40.210. DUTIES [POWERS] OF THE PRESIDENT OF THE UNIVER-
23 SITY. The president of the University of Alaska shall [MAY]

24 (1) give general direction to the work of the institution in
25 all its departments subject to the approval of the Board of Regents;

26 (2) with the approval of the Board of Regents, appoint the
27 chancellors and the staff of the president's office; [DEANS, HEADS OF
28 DEPARTMENTS, PROFESSORS, ASSISTANTS, INSTRUCTORS, TUTORS AND OTHER OFFI-
29 CERS OF THE UNIVERSITY TO THE POSITIONS ESTABLISHED BY THE BOARD OF
30

1 REGENTS]

2 (3) provide the staff work and recommendations upon which the
3 Board of Regents may base adoption of policy and by which the board may
4 carry out its responsibility for monitoring and evaluating policy im-
5 plementation;

6 (4) provide leadership and direction for implementation of
7 policies of the Board of Regents;

8 (5) provide intra-system coordination, monitor and evaluate
9 the conduct of all university programs, and report periodically to the
10 Board of Regents;

11 (6) review the functional organization and staffing patterns
12 submitted by the chancellors;

13 (7) provide for the compilation, publication, distribution
14 and consistent updating of the policies and regulations of the Board of
15 Regents;

16 (8) appoint the members of the campus advisory councils
17 established under sec. 278 of this chapter; and

18 (9) meet regularly with the chancellors and president's staff
19 and consult with them on the conduct of their functions.

20 * Sec. 13. AS 14.40.230 is amended to read:

21 Sec. 14.40.230. POWERS OF REGENTS TO REMOVE OFFICERS. (a) The
22 Board of Regents may remove from office any officer of the institution
23 by a majority vote of the whole board [WHEN IN ITS JUDGMENT THE GOOD OF
24 THE UNIVERSITY REQUIRES IT]. An officer removed under this section
25 shall be notified of his removal and of his opportunity to apply to the
26 board for a hearing and reconsideration of its decision.

27 (b) Upon application filed with the Board of Regents within 10
28 days of receipt of notice of removal under (a) of this section, an offi-
29 cer is entitled to a hearing before the board on the validity of the

1 cause specified in the notice of removal. The hearing shall occur
2 within 30 days of the date of filing of application. Upon consideration
3 of all evidence, including evidence provided at the hearing provided in
4 accordance with this subsection, the board shall uphold or reverse the
5 decision made under (a) of this section.

6 * Sec. 14. AS 14.40 is amended by adding new sections to read:

7 ARTICLE 2A. ADMINISTRATION OF THE CAMPUSES.

8 Sec. 14.40.272. CAMPUS ADMINISTRATION AUTHORIZED. (a) Each of
9 the campuses designated in sec. 11(b)(1) - (3) and the community college
10 division established in sec. 11(b)(4) of this chapter shall be under the
11 administrative direction of a chancellor. The chancellor of each campus
12 and the chancellor of the community college division shall have full
13 authority and operational responsibility under the direction of the
14 president of the university and in compliance with the systemwide poli-
15 cies established by the Board of Regents and the regulations of the
16 president which have received the approval of the Board of Regents.

17 (b) The organizational structure of each campus, and the organiza-
18 tional structure of the community college division, shall be determined
19 by the chancellor of each campus, or the chancellor of the community
20 college division.

21 Sec. 14.40.274. DUTIES OF CHANCELLORS. The chancellor of each
22 campus, and the chancellor of the community college division, shall, in
23 relation to the unit under his administration, implement the policies
24 established by the Board of Regents and, under these policies, is re-
25 sponsible for the following functions:

- 26 (1) leadership and supervision of all teaching, research and
27 public service programs conducted on his campus or within his division;
28 (2) preparation and submission to the Board of Regents of a
29 complete program budget, including all courses, programs and activities,

1 regardless of their sources of funding, and of requests for funds to
2 initiate or complete construction of capital improvements;

3 (3) management and administration of the property of the uni-
4 versity reasonably necessary for the administration of his unit;

5 (4) conduct of all administrative, student, and business
6 services essential to the operation of the campus or division, and the
7 maintenance of accurate and complete books of accounts;

8 (5) employment of faculty and support services staff and
9 provision for payroll completion and personnel services;

10 (6) provision of management information data as required by
11 the Board of Regents or the president;

12 (7) provision of an annual report to the Board of Regents,
13 through the president, relating to the conduct of programs and the
14 administration of the campus or division under his supervision;

15 (8) completion of other periodic reports which may be re-
16 quested by the president or the Board of Regents.

17 Sec. 14.40.276. CAMPUS PRESIDENTS. The chancellor of the com-
18 munity college division shall

19 (1) with the approval of the Board of Regents, appoint the
20 president of each community college;

21 (2) delegate the administration of the administrative and
22 supervisory functions described in sec. 274 of this chapter to the
23 presidents of the community college campuses within the division, to the
24 maximum extent practicable.

25 Sec. 14.40.278. CAMPUS ADVISORY COUNCILS. (a) An advisory coun-
26 cil is established for each campus of the University of Alaska. Members
27 of a campus advisory council shall be appointed by the chancellor or
28 campus president.

29 (b) A campus advisory council may, by resolution, advise the Board

1 of Regents with respect to institutional program direction, campus
2 management and organizational systems, campus budget submissions, ap-
3 pointment or dismissal of campus administrators, and other policy issues
4 as appropriate.

5 * Sec. 15. AS 14.40.290 is amended by adding a new subsection to read:

6 (d) There is created a special contingency fund for the University
7 of Alaska. The legislature may annually appropriate to the contingency
8 fund an amount not to exceed one per cent of the total funds appro-
9 priated from the general fund for operations of the university. Amounts
10 appropriated to the special contingency fund for the university may be
11 allocated by the Board of Regents to meet unfunded necessary expenses of
12 the university system. Transfers from the special contingency fund to
13 the account of any campus or for any other purpose shall be reported by
14 the president to the division of budget and management, Office of the
15 Governor, and to the Legislative Budget and Audit Committee.

16 * Sec. 16. AS 14.40 is amended by adding a new section to read:

17 Sec. 14.40.315. FISCAL PROCEDURES. (a) Budgets for the compo-
18 nents of the statewide system shall be prepared in accordance with
19 general requirements set out in the Executive Budget Act (AS 37.07), and
20 on forms prescribed by the division of budget and management in the
21 Office of the Governor. Budget submissions shall be completed by each
22 chancellor or campus president based upon opportunity for maximum in-
23 volvement in the budget preparation process by persons responsible for
24 programs, shall reflect the objectives of the programs, and shall con-
25 tain supporting data and justifications.

26 (b) Within the process of preparation and review of budget sub-
27 missions, the requests of the deans, directors and department heads and
28 the actions of community college campus presidents, chancellors, and the
29 president shall be clearly delineated.

1 (c) Actions of the Board of Regents on budgets submitted by the
2 chancellors shall be delineated and documented on the budget forwarded
3 to the governor in accordance with AS 37.07.050. Copies of the original
4 request from the campus presidents, deans and directors, together with
5 the record of all changes and recommendations made at each stage of the
6 budget review process, shall be forwarded by the president of the uni-
7 versity to the governor and the legislature.

8 (d) The budget submission for the Board of Regents and for the
9 office of president of the university shall be prepared by the president
10 and provided to the Board of Regents for its review and approval. The
11 budget submission shall be transmitted to the governor in accordance
12 with AS 37.07.050.

13 (e) Appropriations to the statewide university system shall speci-
14 fy the amount appropriated to each campus designated in sec. 11(b)(1) -
15 (3) of this chapter and to each community college within the community
16 college division. There shall be no transfers of funds between or among
17 the campuses designated in sec. 11(b)(1) - (3) of this section, between
18 any of those campuses and the community college division, or between
19 community colleges within the community college division. Transfers
20 between allocations for a university campus may be made by the chancel-
21 lor, and transfers between allocations for a community college may be
22 made by the president of the community college. Transfers between
23 allocations shall be reported to the president of the university, the
24 Board of Regents, the division of budget and management in the Office of
25 the Governor, and the Legislative Budget and Audit Committee.

26 * Sec. 17. AS 14.40.340 is amended to read:

27 Sec. 14.40.340. APPLICABILITY OF BID PRACTICES TO THE UNIVERSITY
28 OF ALASKA. The competitive bid practices of [SET FORTH IN] AS 37.05.230
29 apply to the University of Alaska, except that the provisions of that
30

1 section [ACT] do not apply in those cases where the work is to be per-
2 formed substantially by students enrolled in the university. Where the
3 term "purchasing agent" is used in AS 37.05, it means the position
4 identified by the Board of Regents for that purpose [COMPTROLLER OF THE
5 UNIVERSITY].

6 * Sec. 18. AS 14.40.440 is amended to read:

7 Sec. 14.40.440. UNIVERSITY DESIGNATED BENEFICIARY OF SMITH-LEVER
8 ACT AND EMPOWERED TO CARRY ON COOPERATIVE [AGRICULTURAL] EXTENSION WORK.
9 The University of Alaska is designated as the beneficiary under the
10 provisions of the Smith-Lever Act, and may administer and carry on
11 cooperative [AGRICULTURAL] extension work in the state in cooperation
12 with the United States Department of Agriculture, under the jurisdiction
13 of the University of Alaska at Fairbanks.

14 * Sec. 19. AS 14.40.250 is amended by adding a new subsection to read:

15 Sec. 14.40.250. REGENTS TO ACT AS TRUSTEES AND ADMINISTER CERTAIN
16 MONEY OR PROPERTY [FROM SOURCES OTHER THAN LEGISLATURE OR FEDERAL APPRO-
17 PRIATION]. (b) The Board of Regents shall collect, manage, and expend
18 student body fees established for each campus of the university in
19 accordance with sec. 255 of this chapter. The board is a trustee in the
20 management of the funds received from the levy and collection of the
21 student body fees. The board shall designate an officer responsible for
22 the collection and management of the fees, and the officer designated
23 may expend funds only in accordance with the budget approved by the
24 campus student government organization.

25 * Sec. 20. AS 14.40 is amended by adding a new section to read:

26 Sec. 14.40.255. STUDENT BODY FEES. (a) The student government
27 organization of each of the campuses designated in sec. 11(b)(1) - (3)
28 of this chapter and each campus of the community college division estab-
29 lished in sec. 11(b)(4) of this section may establish a student body fee

1 in accordance with the provisions of this section. If a campus student
2 government organization establishes a fee under this section, it shall
3 adopt an annual budget providing for the expenditure of the fees which
4 are received.

5 (b) No fee may be imposed by a campus student government organiza-
6 tion under this section unless the fee is first approved by a majority
7 of the students of that campus voting at an election. A fee approved
8 under this subsection constitutes a maximum fee. The campus student
9 government organization may thereafter levy a fee that is equal to or
10 less than the amount of the fee approved at the election, but may not
11 levy a fee in excess of that amount without approval of the campus
12 student body as provided in this subsection.

13 (c) The annual budget adopted by a campus student government
14 organization under (a) of this section shall be reported to the Board of
15 Regents. The Board of Regents may, by a vote of three-fourths of its
16 entire membership, return the budget to the student government organiza-
17 tion for consideration of any amendments which the board may suggest.

18 (d) With respect to a student body fee proposed or established
19 under this section, the Board of Regents may not

20 (1) prohibit an election for the purposes of (b) of this
21 section;

22 (2) prohibit a campus student government organization from
23 determining the amount of the fee to be levied on students at its campus

24 (3) revise a budget submitted by a student government organi-
25 zation under (c) of this section; and

26 (4) impose any requirement of signature or review as a requi-
27 site to commitment or use of funds except those signature requirements
28 reasonably necessary to assure proper expenditure of the funds.

29 * Sec. 21. ASSISTANCE OF ALASKA POSTSECONDARY EDUCATION COMMISSION. The

1 Alaska Postsecondary Education Commission is directed to initiate a study to
2 develop, in cooperation with the community college division chancellor and
3 the presidents of the community colleges, a plan for financial support for
4 community colleges comparable in principle to the method of providing finan-
5 cial support for elementary and secondary education. The study and plan
6 developed shall be reviewed by the Board of Regents and forwarded to the
7 division of budget and management, Office of the Governor, and the Legisla-
8 tive Budget and Audit Committee not later than December 1, 1978.

9 * Sec. 22. TRANSITIONAL MEASURES. (a) Except as provided in AS 14.40.-
10 020, amended by sec. 4 of this Act, in AS 14.40.100, amended by sec. 5 of
11 this Act, and AS 14.40.440, amended in sec. 18 of this Act, institutes,
12 centers or activities which are under the jurisdiction of a particular campus
13 or the jurisdiction of the division of community colleges shall continue
14 under the respective jurisdiction until changed or altered by action of the
15 Board of Regents.

16 (b) Personnel, financial and student support services, including re-
17 sponsibility for campus administration set out in AS 14.40.272 - 14.40.276,
18 enacted by sec. 14 of this Act, and fiscal procedures, set out in AS 14.40.-
19 315, enacted by sec. 16 of this Act, shall be decentralized not later than
20 July 1, 1979. To achieve a responsible transition, the Board of Regents
21 shall prepare an interim report on decentralization and transition and submit
22 the report during the first week of the First Session of the Eleventh Legisla-
23 ture, together with any recommendations which the board may have for addi-
24 tional legislation or for amendment of any portion of this Act.

25 * Sec. 23. AS 14.40.560 - 14.40.640 are repealed. Repeal of AS 14.40.-
26 560 - 14.40.640 does not, of itself, affect community colleges in existence
27 on the effective date of this section, and all agreements between a unit of
28 community college and a school district or political subdivision entered into
29 under authority of AS 14.40.570 - 14.40.580, repealed by this section, shall

1 continue in force until the expiration date provided in the agreement or
2 until mutually cancelled.

3 * Sec. 24. AS 14.40.010 is repealed.

4 * Sec. 25. Section 3 of this Act takes effect July 1, 1980. Sections 1,
5 2, and 4 - 24 of this Act take effect July 1, 1978.

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A M E N D M E N T

OFFERED IN THE HOUSE:

By: FINANCE

To: COMMITTEE SUBSTITUTE HOUSE BILL No. 891 (Finance)

SENATE BILL No. _____

PAGE: _____

LINE: _____

Page 12, line 21:

After "designate" delete "an" and insert "a campus"

Page 13, line 28:

After "assure" delete "proper"

Page 13, line 28:

After "funds" delete "." and add "is in accordance
with the budget approved by the campus student
government organization."

AMENDMENT TO CSHB 891

SEC. AS 14.40.255 STUDENT BODY FEES.

a) The student government organization on any campus may establish a student body fee upon approval of a majority of those students voting at an election. The holding of an election for this purpose, and the fee amount, do not require the approval of the Board of Regents.

b) The student government shall adopt an annual budget for use of the student body fees, and report its budget to the Board of Regents. The Board of Regents may, by a vote of three-fourths of the entire Board, return the budget to the student government for suggested amendments(s). The Board shall not revise the budget.

c) The student government is responsible for the expenditure of its budgeted funds, and the Board of Regents shall not impose any signature or review requirements by University officials. The provisions of AS 14.40.250 apply to student body fees in terms of receipt, management and investment.

Original sponsor: Health, Education
and Social Services Committee

Offered: 4/14/78
Referred: Finance

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 CS FOR HOUSE BILL NO. 891

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the reorganization of the Uni-
7 versity of Alaska; and providing for an effective
8 date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. FINDINGS AND PURPOSE. (a) The legislature finds

11 (1) that the accelerated growth of the University of Alaska in
12 recent years has reached the point at which the highly centralized governance
13 and administrative structure of earlier years is no longer adequate;

14 (2) that the traditional Alaskan characteristics of independence,
15 self-reliance and initiative, and the wide variety of needs and interests at
16 the various campuses, make a decentralization of control and operations both
17 desirable and feasible; and

18 (3) that decentralization of the university will also free the
19 Board of Regents to fulfill the governance functions which it alone can per-
20 form: the establishment and monitoring of policy and long-range planning.

21 (b) It is the purpose of this Act to ensure that authority and commen-
22 surate responsibility are delegated to the lowest level capable of assuming
23 them, that citizens served by a branch of the University of Alaska have an
24 opportunity to influence decisions which concern them, and that, within
25 funding limitations, all citizens of the state be served.

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29 located at the state capital. The purpose of the university system is

1 to provide teaching, research, and public service postsecondary programs
2 for the entire state.

3 (b) The components of the statewide university system are:

4 (1) the University of Alaska at Fairbanks, which is autho-
5 rized to conduct degree programs on the baccalaureate, master's, and
6 doctoral levels and to offer non-credit and off-campus courses and
7 programs of research and community service, subject to regulations of
8 general applicability to institutions offering baccalaureate and grad-
9 uate degrees which may be adopted by the Board of Regents;

10 (2) the University of Alaska at Anchorage, which is author-
11 ized to conduct degree programs on the baccalaureate, master's and
12 doctoral levels and to offer non-credit and off-campus courses and pro-
13 grams of research and community service, subject to regulations of
14 general applicability to institutions offering baccalaureate and grad-
15 uate degrees which may be adopted by the Board of Regents;

16 (3) the University of Alaska at Juneau, which is authorized
17 to conduct degree programs on the baccalaureate and master's levels
18 designated by the Board of Regents and to offer non-credit and off-
19 campus courses and programs of research and community service, subject
20 to regulations of general applicability to institutions offering bacca-
21 laureate and graduate degrees which may be adopted by the Board of
22 Regents; and

23 (4) the community college division, comprised of those com-
24 munity colleges in existence on the effective date of this Act, which
25 are authorized to conduct lower division programs leading to associate
26 degrees as designated for each community college by the Board of Re-
27 gents, and to provide non-credit and community service courses and
28 specific certificate programs authorized under policies of the Board of
29 Regents; each community college, in cooperation with a university, may

1 sponsor and conduct upper division and graduate level courses which
2 receive credit through a university.

3 * Sec. 3. AS 14.40 is amended by adding a new section to read:

4 Sec. 14.40.015. NEW CAMPUSES. In addition to the components of the
5 university specified in sec. 11(b) of this chapter, a new campus of the
6 University of Alaska may be established by the Board of Regents after
7 approval by the legislature of a plan which shall contain, as a mini-
8 mum,

9 (1) a needs assessment;

10 (2) a description of the key elements of the educational pro-
11 grams to be offered; and

12 (3) a budget for the first year of operation of the campus
13 and projected budgets for the second and third years of operation.

14 * Sec. 4. AS 14.40.020 is amended to read:

15 Sec. 14.40.020. SITE OF UNIVERSITY. The University of Alaska is
16 the beneficiary under the provisions of the Act of Congress approved
17 August 30, 1890, designating the Alaska Agricultural College and School
18 of Mines as beneficiary and the four sections of land specified by the
19 Act of Congress approved March 4, 1915, and used as a site for the
20 Alaska Agricultural College and School of Mines are the site for the
21 University of Alaska at Fairbanks.

22 * Sec. 5. AS 14.40.100 is amended to read:

23 Sec. 14.40.100. COOPERATIVE [COLLEGE] EXTENSION SERVICE. The
24 regents may conduct a cooperative [COLLEGE] extension service, the
25 leading object of which is to carry information on rural life subjects
26 to the people of the state.

27 * Sec. 6. AS 14.40 is amended by adding new sections to read:

28 Sec. 14.40.105. RESEARCH CENTERS AND OUTREACH ACTIVITIES. The
29 Board of Regents may assign to appropriate campuses or the community

1 college division the responsibility for operation of research centers
2 and institutes and for off-campus teaching, research, and public service
3 activities which may include but are not limited to the establishment of
4 learning centers, itinerant instruction, instruction on military bases,
5 courses taught by radio or television, and correspondence courses.

6 Sec. 14.40.107. INTERCAMPUS PROGRAMS. The Board of Regents may
7 establish intercampus programs which it considers necessary, and assign
8 management responsibility to the appropriate campus.

9 Sec. 14.40.155. IMMUNITY OF REGENTS FROM PERSONAL LIABILITY.
10 Members of the Board of Regents are immune from personal liability with
11 respect to all acts done or actions taken in good faith within the scope
12 of their authority during regular and special meetings of the board.

13 * Sec. 7. AS 14.40.170(a)(2) - (4) are amended to read:

14 (2) fix the compensation of the president of the university,
15 the comptroller of the university, and the chancellors, and adopt com-
16 penetration schedules or patterns for all other employees [ALL HEADS OF
17 DEPARTMENTS, PROFESSORS, TEACHERS, INSTRUCTORS AND OTHER OFFICERS];

18 (3) approve the establishment of degree programs and deter-
19 mine their location; confer [SUCH APPROPRIATE] degrees upon completion
20 of requirements [AS IT MAY DETERMINE AND PRESCRIBE];

21 (4) have the care, control and management of all the real and
22 personal property and all money of the university; provide for the
23 delegation of administrative responsibility for the property reasonably
24 necessary for the administration of each of the university components
25 set out in sec. 11(b) of this chapter to the chancellor of the respec-
26 tive component;

27 * Sec. 8. AS 14.40.170(a) is amended by adding new paragraphs to read:

28 (7) review budgets and transmit recommendations on the
29 budgets to the governor and legislature;

1 (8) approve the staffing pattern and functional responsibili-
2 ties of the president's staff;

3 (9) adopt regulations for standard administration of the
4 university system; the regulations adopted shall include, but need not
5 be limited to,

6 (A) stipulation of degrees to be offered, the degree
7 requirements and the clock hour requirements for credit courses;

8 (B) student admission standards;

9 (C) qualifications, promotion, tenure and dismissal
10 standards, and pay and fringe benefits for faculty;

11 (D) personnel policies and pay and fringe benefit pro-
12 visions for employees other than faculty;

13 (E) uniform accounting and business procedures;

14 (F) uniform budgeting procedures; and

15 (G) standard systemwide management information data sys-
16 tems;

17 (10) establish fee schedules for the statewide system;

18 (11) provide for both short- and long-range planning of pro-
19 grams and campus development;

20 (12) provide for both internal and external audit functions,
21 and transmit an annual audit report to the governor and legislative
22 auditor, together with its comments;

23 (13) establish policies for fiscal and management control;

24 (14) approve or disapprove a recommendation of a campus
25 advisory council seeking the dismissal, demotion, or retirement of a
26 chancellor or campus president;

27 (15) constitute the final board of appeal in all matters which
28 are within its jurisdiction, and provide for an appeal process;

29 (16) carry out other duties as prescribed by law.

1 * Sec. 9. AS 14.40.170(b) is amended by adding a new paragraph to read:

2 (3) in addition to the campus advisory councils authorized
3 by sec. 278 of this chapter, establish policy advisory groups, both
4 internal and external, as it considers necessary.

5 * Sec. 10. AS 14.40.190 is amended to read:

6 Sec. 14.40.190. REPORT TO THE LEGISLATURE. The Board of Regents
7 shall make a written report to the legislature at the beginning of its
8 regular sessions of the condition of the university property, of all
9 receipts and expenditures, including but not limited to the administra-
10 tion and disposition of appropriated and restricted funds, and of the
11 educational and other work performed. The report shall include annually
12 updated five-year plans for program development and facilities develop-
13 ment submitted in summary form.

14 * Sec. 11. AS 14.40.210 is amended to read:

15 Sec. 14.40.210. DUTIES [POWERS] OF THE PRESIDENT OF THE UNIVERSITY.
16 The president of the University of Alaska shall [MAY]

17 (1) serve as the executive officer [GIVE GENERAL DIRECTION TO
18 THE WORK OF THE INSTITUTION IN ALL ITS DEPARTMENTS SUBJECT TO THE AP-
19 PROVAL] of the Board of Regents;

20 (2) with the approval of the Board of Regents, appoint the
21 chancellors and the staff of the president's office; [DEANS, HEADS OF DE-
22 PARTMENTS, PROFESSORS, ASSISTANTS, INSTRUCTORS, TUTORS AND OTHER OFFICERS
23 OF THE UNIVERSITY TO THE POSITIONS ESTABLISHED BY THE BOARD OF REGENTS]

24 (3) provide the staff work and recommendations upon which the
25 Board of Regents may base adoption of policy and by which the board may
26 carry out its responsibility for monitoring and evaluating policy im-
27 plementation;

28 (4) provide leadership and direction for implementation of
29 policies of the Board of Regents;

1 (5) monitor and evaluate the conduct of all university pro-
2 grams, and report periodically to the Board of Regents;

3 (6) review the functional organization and staffing patterns
4 submitted by the chancellors;

5 (7) provide for the compilation, publication, distribution
6 and consistent updating of the policies of the Board of Regents;

7 (8) appoint the members of the campus advisory councils
8 established under sec. 278 of this chapter; and

9 (9) meet regularly with the chancellors and president's staff
10 and consult with them on the conduct of their functions.

11 * Sec. 12. AS 14.40.230 is amended to read:

12 Sec. 14.40.230. POWERS OF REGENTS TO REMOVE OFFICERS. (a) The
13 Board of Regents may remove from office any officer of the institution
14 by a majority vote of the whole board [WHEN IN ITS JUDGMENT THE GOOD OF
15 THE UNIVERSITY REQUIRES IT]. An officer removed under this section
16 shall be notified of his removal and of his opportunity to apply to the
17 board for a hearing and reconsideration of its decision.

18 (b) Upon application filed with the Board of Regents within 10
19 days of receipt of notice of removal under (a) of this section, an offi-
20 cer is entitled to a hearing before the board on the validity of the
21 cause specified in the notice of removal. The hearing shall occur
22 within 30 days of the date of filing of application. Upon consideration
23 of all evidence, including evidence provided at the hearing provided in
24 accordance with this subsection, the board shall uphold or reverse the
25 decision made under (a) of this section.

26 * Sec. 13. AS 14.40 is amended by adding new sections to read:

27 ARTICLE 2A. ADMINISTRATION OF THE CAMPUSES.

28 Sec. 14.40.272. CAMPUS ADMINISTRATION AUTHORIZED. (a) Each of
29 the campuses designated in sec. 11(b)(1) - (3) and the community college

1 division established in sec. 11(b)(4) of this chapter shall be under the
2 administrative direction of a chancellor. The chancellor of each campus
3 and the chancellor of the community college division shall have full
4 authority and operational responsibility under the direction of the
5 president of the university and in compliance with the systemwide poli-
6 cies established by the Board of Regents and the regulations of the
7 president which have received the approval of the Board of Regents.

8 (b) The organizational structure of each campus, and the organiza-
9 tional structure of the community college division, shall be determined
10 by the chancellor of each campus, or the chancellor of the community
11 college division.

12 Sec. 14.40.274. DUTIES OF CHANCELLORS. The chancellor of each
13 campus, and the chancellor of the community college division, shall, in
14 relation to the unit under his administration, implement the policies
15 established by the Board of Regents and, under these policies, is re-
16 sponsible for the following functions:

17 (1) leadership and supervision of all teaching, research and
18 public service programs conducted on his campus or within his division;

19 (2) preparation and presentation to the legislature, after
20 review by the Board of Regents, of a complete program budget, including
21 all courses, programs and activities, regardless of their sources of
22 funding, and of requests for funds to initiate or complete construction
23 of capital improvements;

24 (3) management and administration of the property of the uni-
25 versity reasonably necessary for the administration of his unit;

26 (4) conduct of all administrative, student, and business
27 services essential to the operation of the campus or division, and the
28 maintenance of accurate and complete books of accounts;

29 (5) employment of faculty and support services staff and

1 provision for payroll completion and personnel services;

2 (6) provision of management information data as required by
3 the Board of Regents or the president;

4 (7) provision of an annual report to the Board of Regents,
5 through the president, relating to the conduct of programs and the
6 administration of the campus or division under his supervision;

7 (8) completion of other periodic reports which may be re-
8 quested by the president or the Board of Regents.

9 Sec. 14.40.276. CAMPUS PRESIDENTS. The chancellor of the com-
10 munity college division shall

11 (1) with the approval of the Board of Regents and the members
12 of the campus advisory council, appoint the president of each community
13 college;

14 (2) delegate the administration of the administrative and
15 supervisory functions described in sec. 274 of this chapter to the
16 presidents of the community college campuses within the division, to the
17 maximum extent practicable.

18 Sec. 14.40.278. CAMPUS ADVISORY COUNCILS. (a) An advisory coun-
19 cil is established for each campus of the University of Alaska. Each
20 advisory council consists of nine members. The membership of an ad-
21 visory council shall be broadly representative of the geographical area
22 in which the campus is located.

23 (b) Members of each advisory council shall be appointed by the
24 president of the university. Members shall be appointed from lists of
25 names of candidates submitted to the president by borough assemblies,
26 city councils, school boards and civic organizations within the area
27 served by the campus. In making appointments to an advisory council,
28 the president shall give due consideration to an equitable ethnic and
29 sex distribution.

1 (c) Appointments of the president to campus advisory councils are
2 subject to approval by the Board of Regents.

3 (d) The term of a member of a campus advisory council is three
4 years. Members shall serve overlapping terms, with three members first
5 appointed serving one-year terms, three members first appointed serving
6 two-year terms, and three members first appointed serving three-year
7 terms. Members first appointed shall determine the length of their
8 respective terms by lot.

9 (e) Each advisory council shall elect a chairman from among its
10 members. The term of chairman is one year.

11 (f) The members of the campus advisory councils receive no com-
12 pensation for their services, but are entitled to travel expenses and
13 per diem when necessary to attend meetings of the council. Per diem
14 payments shall be made to members of campus advisory councils at the
15 same rate as provided for members of other state boards and commissions.
16 Payment of travel expenses and per diem to a council member is authorized
17 for not more than four meetings of a campus advisory council during each
18 calendar year.

19 (g) Each advisory council shall

20 (1) adopt bylaws necessary for its operation;

21 (2) by a two-thirds vote of its membership

22 (A) confirm the appointment of a chancellor or community
23 college president; and

24 (B) recommend to the Board of Regents the dismissal,
25 demotion, or retirement of the chancellor of the campus or campus
26 president.

27 (h) A campus advisory council may, by resolution, advise the Board
28 of Regents with respect to institutional program direction, campus
29 management and organizational systems, campus budget submissions, and

1 other policy issues as appropriate.

2 * Sec. 14. AS 14.40.290 is amended by adding a new subsection to read:

3 (d) There is created a special contingency fund for the University
4 of Alaska. The legislature may annually appropriate to the contingency
5 fund an amount not to exceed one per cent of the total funds appropriated
6 from the general fund for operations of the university. Amounts appro-
7 priated to the special contingency fund for the university may be allo-
8 cated by the Board of Regents to meet unfunded necessary expenses of the
9 university system. Transfers from the special contingency fund to the
10 account of any campus or for any other purpose shall be reported by the
11 president to the division of budget and management, Office of the Gover-
12 nor, and to the Legislative Budget and Audit Committee.

13 * Sec. 15. AS 14.40 is amended by adding new sections to read:

14 Sec. 14.40.305. DUTIES OF THE COMPTROLLER. (a) The comptroller
15 of the university shall disburse all funds provided under secs. 290 and
16 295 of this chapter to the campuses designated in sec. 11(b)(1) - (3) of
17 this chapter, to the community college division established in sec.
18 11(b)(4) of this chapter, and to other divisions of the university for
19 their use and control in accordance with budgets approved by and appro-
20 priations provided by the legislature.

21 (b) The comptroller shall provide internal audit and control and
22 budget analysis services for the Board of Regents.

23 Sec. 14.40.315. FISCAL PROCEDURES. (a) Budgets for the compo-
24 nents of the statewide system shall be prepared in accordance with
25 general requirements set out in the Executive Budget Act (AS 37.07).
26 Budget submissions shall be completed by each chancellor or campus pre-
27 sident based upon opportunity for maximum involvement in the budget
28 preparation process by persons responsible for programs, shall reflect
29 the objectives of the programs, and shall contain supporting data and

1 justifications.

2 (b) Within the process of preparation and review of budget sub-
3 missions, the requests of the deans, directors and department heads and
4 the actions of community college campus presidents and chancellors shall
5 be clearly delineated.

6 (c) Recommendations of the Board of Regents shall be delineated
7 and documented in comments on the budget prepared by the chancellors and
8 forwarded to the governor in accordance with AS 37.07.050. Copies of
9 the original request from the campus presidents, deans and directors,
10 together with the record of all requests, changes and recommendations,
11 shall be forwarded by the president of the university to the governor
12 and the legislature.

13 (d) The budget submission for the Board of Regents and for the
14 office of president of the university shall be prepared by the president
15 and provided to the Board of Regents for its review. The budget sub-
16 mission shall be transmitted to the governor in accordance with AS
17 37.07.050.

18 (e) Appropriations to the statewide university system shall speci-
19 fy the amount appropriated to each campus designated in sec. 11(b)(1) -
20 (3) of this chapter and to each community college within the community
21 college division. There shall be no transfers of funds between or among
22 the campuses designated in sec. 11(b)(1) - (3) of this section, between
23 any of those campuses and the community college division, or between
24 community colleges within the community college division. Transfers
25 between allocations for a university campus may be made by the chancel-
26 lor, and transfers between allocations for a community college may be
27 made by the president of the community college. Transfers between
28 allocations shall be reported to the president of the university, the
29 Board of Regents, the division of budget and management in the Office of

1 the Governor, and the Legislative Budget and Audit Committee.

2 * Sec. 16. AS 14.40.440 is amended to read:

3 Sec. 14.40.440. UNIVERSITY DESIGNATED BENEFICIARY OF SMITH-LEVER
4 ACT AND EMPOWERED TO CARRY ON COOPERATIVE [AGRICULTURAL] EXTENSION WORK.

5 The University of Alaska is designated as the beneficiary under the
6 provisions of the Smith-Lever Act, and may administer and carry on
7 cooperative [AGRICULTURAL] extension work in the state in cooperation
8 with the United States Department of Agriculture.

9 * Sec. 17. ASSISTANCE OF ALASKA POSTSECONDARY EDUCATION COMMISSION. The
10 Alaska Postsecondary Education Commission is directed to initiate a study to
11 develop, in cooperation with the community college division chancellor and
12 the presidents of the community colleges, a plan for financial support for
13 community colleges comparable in principle to the method of providing finan-
14 cial support for elementary and secondary education. The study and plan
15 developed shall be reviewed by the Board of Regents and forwarded to the
16 division of budget and management, Office of the Governor, and the Legisla-
17 tive Budget and Audit Committee not later than December 1, 1978.

18 * Sec. 18. TRANSITIONAL MEASURES. (a) Except as provided in AS 14.40.-
19 020, amended by sec. 4 of this Act, in AS 14.40.100, amended by sec. 5 of
20 this Act, and AS 14.40.440, amended in sec. 16 of this Act, institutes,
21 centers or activities which are under the jurisdiction of a particular campus
22 or the jurisdiction of the division of community colleges shall continue
23 under the respective jurisdiction until changed or altered by action of the
24 Board of Regents.

25 (b) Personnel, financial and student support services, including re-
26 sponsibility for campus administration set out in AS 14.40.272 - 14.40.276,
27 added by sec. 13 of this Act, and fiscal procedures, set out in AS 14.40.315,
28 added by sec. 15 of this Act, shall be decentralized not later than July 1,
29 1979. To achieve a responsible transition, the Board of Regents shall pre-

1 pare an interim report on decentralization and transition and submit the
2 report during the first week of the First Session of the Eleventh Legisla-
3 ture, together with any recommendations which the board may have for addi-
4 tional legislation or for amendment of any portion of this Act.

5 * Sec. 19. AS 14.40.560 - 14.40.640 are repealed. Community colleges in
6 existence on the effective date of this section shall continue, and all
7 agreements between a unit of a community college and a school district or
8 political subdivision entered into under authority of AS 14.40.570 - 14.40.-
9 580, repealed by this section, shall continue in force until the expiration
10 date provided in the agreement or until mutually cancelled.

11 * Sec. 20. AS 14.40.010 is repealed.

12 * Sec. 21. Section 3 of this Act takes effect July 1, 1980. Sections 1,
13 2, and 4 - 20 of this Act take effect July 1, 1978.

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Comments on HB 891 and CSHB 891

1. In the original draft of HB 891 I neglected to include a definition for a community college. This omission could be rectified by adding a section to CSHB 891. It could be added as Section 20 on page 14 and then the present Sections 20 and 21 should be renumbered as Sections 21 and 22. The following language ^{taken from HB 410} is suggested:

Section 20. DEFINITION: COMPREHENSIVE COMMUNITY COLLEGE. For purposes of this act the community colleges now in existence or hereinafter authorized shall be, insofar as feasible within the limitations of enrollments and budgets, comprehensive community colleges. A comprehensive community college includes flexible, versatile programs of post secondary instruction, counseling and advising, job placement and other activities designed to meet the needs of the area it serves, including but not limited to,

(1) courses and curricula that lead to associate degrees to that enable the student to transfer to an institution of higher education granting baccalaureate degrees;

(2) occupational education including vocational-technical programs and cooperative education in conjunction with employment in business and industry that enable the student to develop technical skills in a chosen trade or occupation and lead either to a degree or a certificate of completion;

(3) general education and public interest courses designed to meet the needs of a community, to enable a person to expand his knowledge, improve the quality of his life, or acquire, change or update a skill that a person lacks or that has become obsolete.

2. CSHB 891 on page 1, lines 28 and 29, inserted: "with its statewide offices located at the state capital". Similar language was in HB 493 and was in my proposed draft bill but had been omitted in HB 891. In my opinion the CS language is desireable. However if ^{it} does remain in, then a part ^c (e) should be added to Section 18, transitional measures to read as follows:

The relocation of the statewide offices of the University to the capital city shall be effected by July 1, 1979. The sum of \$200,000 is appropriated to the Board of Regents to defray the cost of such relocation.

3. In my proposed draft I designated the Juneau operation as The Southeast Alaska Senior College at Juneau, limiting it to upper division and graduate programs. However, HB 891 language is University of Alaska at Juneau. I believe my original designation is educationally appropriate but perhaps not politically acceptable. (See Sec. 2 (3), CSHB 891, page 2, lines 16-22.

4. Re Sec. 5, CSHB 891, page 3, line 23-26: The substitution of cooperative for college is appropriate and was in my proposed draft. However, I believe the following language should be added: "The Cooperative Extension Service shall function under the jurisdiction of the University of Alaska, Fairbanks."
5. HB 891, in Section 6 adding 14.40.105 Research Centers and Outreach activities, included the phrase "upon the recommendation of the President", following "The Board of Regents"----. CSHB 891 omitted this phrase. Perhaps it is a minor point and not worth much argument but I believe it should be reinserted in order to assure that staff work has been devoted to the question of assignment of research and activities. If the Regents on their own were empowered to make such moves without staff work it could lead to decisions based upon pressures rather than program considerations.
6. Likewise, in Section 6, adding 14.40.107, Inter-campus Programs the same phrase was removed in CSHB 891. I believe it should be reinserted for the reasons given above. CSHB 891 added the phrase "and assign management responsibility to the appropriate campus," This is a good addition. However, the phrase "if funds can be made available to the affected campuses" was removed. Perhaps the latter phrase is not necessary, although limitation on transfer of appropriations as provided in Section 15, 14.40.315 (p. 12, lines 21-24) would mean that management responsibility

might be assigned but operational funds would have to remain separate at least until a new budget year. This would not be an insurmountable problem.

7. In Section 7 amending AS 14.40.170, CSHB 891 included an amendment to (4) (see p. 4, lines 21-26), which is fine except that the drafters failed to note an amendment made to this section by Ch. 46, SLA 1972. In order to make this section of CSHB 891 consistent with Ch. 46 the phrase "and all money" on line 22 must be deleted.
8. In CSHB 891, Sec. 8, p. 5, line 1, the word ^{"employees"} ~~was~~ used in place of the word "staff" used in HB 891. This change is satisfactory.
9. In this same section 8, p. 5, lines 24-26 a new section was added providing for approval or disapproval of a recommendation of a campus advisory council. This addition is appropriate if the language in part (8) (2) B of Section 14.40.278, p. 10, which was added in CSHB 891, is to be included.
10. Sec. 9 of HB 891 was changed in CSHB 891 to include reference to the advisory councils provided for in Section 13, adding Section 14.40.278.
11. Section 11 of CSHB 891, amending 14.40.210, modified the language of HB 891 in (1). I believe the language in both versions should be included to read: (1) Serve as executive officer of the Board of Regents and give general direction to the work of the institution on all its campuses and in all activities (in all its departments) under the policies of (Subject to the approval of) the Board of Regents.

12. CSHB 891, Section 11, (4) page 6, omitted the concluding language in (4) of HB 891 reading "and provide staff assistance to the chancellors to enhance and facilitate program operations." I believe the complete language of HB 891 should be included since I believe the President's staff should be available to the chancellors for consultation, particularly with regard to academic programs, and management procedures. I am assuming that the President's staff, albeit small, would include at least an academic coordinator, a management (business and finance) officer, and a personnel^{officers} whose functions would include monitoring and providing assistance.
13. In (5) of the same section, p. 7, lines 1 and 2, CSHB 891 omitted the phrase "provide intra-system coordination" which was in HB 891. I believe the phrase should be restored, since certainly assuring some measure of coordination is a legitimate and necessary function for the President.
14. In (7) of the same section, p. 7, lines 5-6, CSHB 891 omitted the concluding phrase of language in HB 891 reading "and regulations of the president". I believe the phrase should be restored since administrative regulations of the president are necessary in the implementation of board policies and, therefore, should be compiled, published, distributed and consistently updated. In a sense, Board policies are similar to legislative acts - their administration is through regulation and procedures established by executive officers.

15. CSHB 891 added a part (8) to Section 11 because of its provision for campus advisory councils under 14.40.278.
16. CSHB 891 in Sec. 14.40.274, p. 8, lines 12-16, omitted the phrase "and the regulations adopted by the president" following the word policies on line 15. I believe the phrase should be restored, with the word adopted changed to promulgated, for the reasons given previously with respect to implementation of policies through administrative regulations and interpretations.
17. In CSHB 891 part (2) of Section 14.40.274 has been changed to provide for direct presentation of budgets to the legislature by the chancellors after review by the Board of Regents using slightly different language than HB 891 which particularly eliminates the phrase "through the president". I believe the phrase should be restored and that the language in HB 891 is preferable. The president, in my opinion, should have a budget review and comment responsibility particularly in terms of programs. The later language with regard to documentation of budget recommendations and modifications should be sufficient to satisfy the legislative need for information and to ensure that the original budgets come to legislative attention.
18. CSHB 891 added a subsection (see (3) page 8), to 14.40.274 and this is appropriate in view of the language added in section 7, (4) page 4.

19. CSHB 891 modified 14.40.276 (p. 9, lines 9-17) by adding provision (1) for appointment of presidents of the community colleges with approval of the Regents and campus advisory councils. The word "campus" should be inserted before the word "president" on line 12 of CSHB 891 since these officials are currently designated campus presidents.
20. Sec. 14.40.278, Campus Advisory Councils, was added in CSHB 891. This is a modification of language included in HB 493. While present Board of Regent policies provide for advisory committees with limited powers, I have no objection to the language in CSHB 891, although some question might well be raised about the provisions in (g) (2)(A) and (B) for confirmation of appointments and recommending demotion, dismissal or retirement. Again, the word "campus" should be inserted before "president" on page 19, line 23.
21. The provisions for a contingency fund in Sec. 14 amending AS 14.40.290 have been added in CSHB 891. In view of the strictures on transfer of funds between campus appropriations as provide in (e) of 14.40.315. The provision of a contingency fund has considerable merit. It might enable the Regents to meet needs caused by added enrollments or unexpected operational or maintenance costs without coming in for a supplemental. It might be advisable, however, to require approval of the Office of the Governor and Legislative Budget and Audit prior to actual

transfer rather than just reporting transfers after the fact.

22. In 14.40.315, (b), p. 12, CSHB 891 has omitted the words "to members of the Board of Regents" which were in HB 891. These words were originally included because of the assumption that the budget went to the Regents through the President. They can be omitted, however.
23. CSHB 891 in Sec. 16 amending AS 14.40.440 omitted the last phrase of the language contained in the similar section of HB 891 "at the University in Fairbanks" - language should be reinserted as follows "under the jurisdiction of the University of Alaska, Fairbanks."
24. The language in the latter part of Sec. 18, (b) has been substantially modified in CSHB 891, in practicality removing any authority for exceptions. The language in the substitute appears to be preferable.

In the proposed draft which served as the basis for AS 14.40.120 (a) HB 891, I had proposed to amend which now reads "the Board of Regents shall be governed by a Board of Regents consisting of 11 members by adding a sentence to read as follows: "The governance function basically involves the adoption of policy for the operation of the University system, the approval of regulations promulgated by the president to implement policy, and monitoring and evaluation of the implementation of policy." The statement was not included in HB 891. I believe the

role and
statement clarifies the governance \wedge should be included.
If there is a decision to do so, in order to be in proper
sequence, it would need to be inserted in Section 6 of
CSHB 891, following Sec. 14.40.107 on page 4.

25. In view of past problems with submission of University
budgets in a form other than is used by other state agencies,
I propose an addition to 14.40.315, p. 11, following line
26 of the words "and on forms prescribed by the Governor's
budget office.

Don M. Dafoe

4/20/78

Comments to HESS Committee
By Jeff Cook, March 15, 1978.

My name is Jeff Cook and I am a member of the Board of Regents from Fairbanks. I want to thank you for the opportunity of testifying before your committee on the bills relative to organization and re-organization of the University of Alaska.

I will mainly be making general remarks to you, with some specifics relative to some of the bills before us. Let me start by stating that the Board of Regents is truly concerned about the University and about the problems that have surfaced in the past year. We have received and acted constructively on proposals to improve our financial and fiscal problems. We worked closely last session with you on correcting the financial ills of the system; and despite news stories or impressions to the contrary, significant and substantial progress has been made in the financial and fiscal areas of the University; and safeguards have been developed to insure that such problems don't occur in the future, and that if they do occur they can be pinpointed and corrected immediately.

I feel the Board of Regents has been more active in the affairs of the University in the past year than any previous Board. We have taken an interest and shown a dedication to our positions on the Board. We are more informed and certainly more active in the affairs of the University. Some of the past problems with the University have been due to lack of this type of involvement by the Regents, who are ultimately responsible for both the progress and problems of the University. I pledge that the Regents will continue this type of involvement and will do a better job, and that we will be open and honest in our dealing with the Legislature and the people of Alaska. We will expect this of our top administrators also.

I am against the proposals that separate the University into segments with direct reporting for budgets to the Legislature. I do not feel that the Legislative floor is the place to referee budget proposals of various units of the University. The Board of Regents should solve these conflicts in a non political atmosphere.

We need a stable environment within the University system to correct the problems of the University. We need a stable environment to encourage the faculty and other employees to serve the University system well. We need a stable environment to encourage learning by our students and productivity by our research people. Such stability will not come with drastic and mandated organizational changes at this time. We have significantly met and are meeting the challenge of fiscal problems at the University. And I promise that we will address and act on the questions of organization and possible de-centralization.

The vast majority of students and faculty within the University System have indicated that they do not favor the re-organization proposals. I feel these views, especially the students as users of the educational product, are important.

As relates to any possible separation of research from the mainstream of the University campuses, I would like to quote from a recent speech to the Rotary Club by Dr. Juan Roederer, Director of the Geophysical Institute. "To impart higher education in a country that is the unquestionable leader of today's complex technological society, it just isn't enough to merely produce educated people. Our universities must mold potential leaders. It just isn't enough that students merely acquire new knowledge-- they must learn how to generate, how to create new knowledge! Creativity--be it scientific or artistic--cannot be taught; it must be instilled in the student by persistent exposure to an appropriate faculty environment. A fundamental role of research at a university is to ^{provide} this appropriate environment. It is unthinkable to operate successfully a science department without a faculty of active researchers, as it is unthinkable to operate successfully a music department without a faculty of performing musicians. The degree in which research and teaching are meshed with each other is a most conspicuous and direct measure of the strength of a given University."

I disagree with separation of the community college system from the University system. We need co-ordination with proper tracking and interface between the 4 year colleges and the community college system. I feel UAA Chancellor Wolff and ACC President Stewart have demonstrated that they can work together and coordinate for a better total system in the future. I would like to quote from Former Regent Chris Cooke of Bethel on

testimony he gave in 1976 relative to ^{separation} ^ of the Community Colleges. "If the real problems of the community colleges can be resolved while preserving the unified structure of the University, I am sure that higher education in Alaska will be better for it in the long run. If, however, the community colleges are severed from the university and a separate administration created, it is likely that harmony and mutual understanding will never be achieved, to the detriment of all the people of Alaska ..."

We recognize problems in organization and structure from the past. Part of the reason for the problems is the growth of the University system and its progress in reaching out to more of the citizens of our State with educational programs. The University system has seen great progress despite problems in the past few years. Growth and progress always involve problems. A sign of our strength as Regents and Legislators is how we solve these problems. Let us all resolve to keep the educational system our priority, and not our personal biases as the priority.

I would like to make some specific comments on a couple of the bills at this time. Concerning House Bill 493, I feel we should not mandate moving the main office of the University to the State Capitol. This does not make sense in view of the costs involved with such a move; especially in light of past fiscal and budget problems. Also, this proposal is not consistent with the theme of most of these bills, which is to bring governance of the system closer to those using the system. I feel that this bill and the others have no guarantee of a better system or of tangible benefits to the system; yet there are some significant costs involved with some of the proposals. I have no problem with the provision of HB 493 requiring the Chancellor's original budget to be submitted to the Legislature along with the Budget proposed by the Board of Regents. President Diebold will address this matter with you in his comments.

I totally disagree with HB 666. The problems of the University are not as much caused by the structure of the University as by previous management and fiscal procedures. We have addressed the fiscal problems and have come a long way in the last year. You have a copy of the Main LeFrentz Company report which outlines both the problems and recommended solutions; which we have been implementing. You have had reports from the Commissioner of Administration indicating the great progress by the