

LEG. FINANCE - BILLS 1983 - 1984 2006

SB 19 cont. - SB 40 2006

of Bragaw Street centerline and south of University Avenue centerline containing approximately 40 acres.

2. Term

The term of this agreement shall be two (2) years and one (1) month, commencing on July 1, 1982, and terminating on July 31, 1984. Optionee, in its sole discretion, has the right (but no obligation) to purchase the Property in accordance with the terms and conditions stated hereafter at any time during the term of this agreement.

3. Consideration

Optionee shall pay to Optionor the sum of One Million Dollars (\$1,000,000) for the first year and an additional sum of One Million Dollars (\$1,000,000) for the succeeding thirteen months, as good and valuable consideration for this exclusive option. Payment in full for the first year shall be due and payable upon execution and delivery of this agreement. Payment in full for the succeeding thirteen months shall be due and payable on or about July 1, 1983, but in no event later than July 31, 1983. The total amount of consideration paid shall be deducted from the purchase price if the option is exercised.

4. Purchase Price

The purchase price of the Property shall be Ten Million Nine Hundred Thousand Dollars (\$10,900,000).

5. Eminent Domain

In the event any part of the Property is condemned by a public entity in the lawful exercise of its power of eminent domain,

the purchase price shall be reduced pro tanto by the total amount of compensation paid to Optionor for the property taken.

6. Exercise of Option

Optionee shall exercise its exclusive option by giving written notice of its intent to do so not less than ten (10) days prior to the proposed closing date. At the time of closing, Optionee shall deliver to Optionor a sum of money equal to the purchase price, less any prior remittances of consideration (including option payments and compensation paid for takings, if any, by way of eminent domain). At the time of closing, Optionor shall deliver to Optionee a recordable statutory warranty deed conveying fee title to the Property.

7. Title Conveyed

(a) Title to the Property will be conveyed subject to the following matters or encumbrances:

- (1) Reservations, exceptions and conditions in U.S. Patent(s);
- (2) Easements and permits of record, including but not limited to telephone, natural gas pipeline, water, sewer, drainage and gas;
- (3) Agreement dated March 21, 1979, between the U.S. Department of Interior ("BLM") and Alaska Pacific University, recorded March 29, 1979, in Volume 389 at Page 768;
- (4) Contemplated realignment of the South Fork of Chester Creek pursuant to a plan approved by the Army Corps of Engineers with the realigned creek running or passing through the southeasterly corner or segment of the Property.

(b) In the event Optionor is unable to convey title to the Property to Optionee at the closing, in accordance with

this agreement, Optionor may adjourn the closing for up to 180 days during which time Optionor will use its best efforts to cure any and all title or other defects, provided, however, Optionee may accept such title as Optionor is able to convey, without any claim by Optionee for abatement of the purchase price.

(c) If the closing is adjourned pursuant to subsection (b) and the Optionor at the end of such 180 day period is still unable to convey title as contemplated herein, (i) the Optionor shall refund to the Optionee all option payments made hereunder, (ii) this option agreement shall terminate forthwith, and (iii) neither party shall have any further rights or obligations of any kind under this agreement.

#### 8. Closing in Escrow

Either party has the right, on five (5) days' notice to the other party, to close this sale through an escrow with the Alaska Title Guaranty Co., in accordance with the usual form of deed and money escrow agreement then in use by that company.

#### 9. Closing Costs

The costs of closing shall be borne by the party incurring them, except that Optionor expressly assumes the cost of document preparation.

10. Failure to Remit Consideration; Failure to Exercise Option

In the event that Optionee fails to timely remit payment of any consideration due or to timely exercise its exclusive option, then this agreement shall terminate forthwith and neither party shall have any further rights or obligations of any kind under this agreement.

11. General Conditions

Recording--Either party has the right to record this agreement.

Amendments--This agreement sets forth the entire agreement and understanding between the parties and may not be modified except by a writing signed by both parties hereto.

Successors in Interest--The terms, covenants, and conditions contained herein shall be binding upon and inure to the benefit of the parties' heirs, successors, and assigns.

Representation as to Authority--Each party represents and warrants that it has the authority to enter into this agreement and that the persons signing for each are expressly authorized to do so by their respective governing boards.

Notices--Any notices permitted or required hereunder shall be delivered or mailed postage prepaid with return receipt requested, and delivered or addressed to the following:

President Jay Barton  
University of Alaska  
101 Bunnell Building  
303 Tanana Drive  
Fairbanks, AK 99701

President Glenn Olds  
Alaska Pacific University  
University Drive  
Anchorage, Alaska 99504

IN WITNESS WHEREOF, the parties have executed this agreement the day and year first above written.

OPTIONOR:

Alaska Pacific University

By Glenn A. Olds  
Glenn A. Olds  
President

OPTIONEE:

University of Alaska

By Jay Barton  
Jay Barton  
President

ACKNOWLEDGEMENTS

THIS IS TO CERTIFY, that on this 24<sup>th</sup> day of June, 1982, before me, the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared JAY BARTON, to me known to be the President of the UNIVERSITY OF ALASKA, a constitutional corporation, and who acknowledged to me that he executed the within agreement on behalf of said corporation as such officer thereof, by authority of its Board of Regents, as the voluntary act and deed of said corporation, for uses and purposes therein mentioned.

Susan M. Gokley  
Notary Public in and for Alaska  
My commission expires: 8/10/85

THIS IS TO CERTIFY, that on this 17<sup>th</sup> day of June, 1982, before me, the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Glenn A. Olds, to me known to be the President of ALASKA PACIFIC UNIVERSITY, an Alaska non-profit corporation, and who acknowledged to me that s/he executed the within agreement on behalf of said corporation as such officer thereof, by authority of its governing body, as the voluntary act and deed of said corporation, for uses and purposes therein mentioned.

Mary L. Russell  
Notary Public in and for Alaska  
My commission expires: 5-1-86

Original sponsors: Kerttula, Sturgulewski,  
Josephson, et al

Funding Information

General Fund	\$53,250,000
Other Funds	-0-
	<u>\$53,250,000</u>

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 19 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE -- FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making appropriations to the University of  
7 Alaska for student housing and land acquisition; and  
8 providing for an effective date."

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

10 \* Section 1. The sum of \$9,900,000 is appropriated from the general  
11 fund to the University of Alaska for acquisition of approximately 40 acres  
12 of land from Alaska Pacific University under an option to purchase  
13 agreement executed in June 1982.

14 \* Sec. 2. The sum of \$1,000,000 is appropriated from the general fund  
15 to the University of Alaska for planning, including preparation of engi-  
16 neering plans, for student housing at the Anchorage campus.

17 \* Sec. 3. The sum of \$11,000,000 is appropriated from the general fund  
18 to the University of Alaska for construction of student housing at the  
19 Fairbanks campus.

20 \* Sec. 4. The sum of \$1,000,000 is appropriated from the general fund  
21 to the University of Alaska for planning, including preparation of engi-  
22 neering plans, for student housing at the Juneau campus.

23 \* Sec. 5. The sum of \$650,000 is appropriated from the general fund to  
24 the University of Alaska for planning, including preparation of engineering  
25 plans, for student housing at the Kenai Community College campus.

26 \* Sec. 6. The sum of \$10,000,000 is appropriated from the general fund  
27 to the University of Alaska for construction of student housing at the  
28 University of Alaska, Anchorage and the Anchorage Community College  
29 campuses.

1 \* Sec. 7. The sum of \$13,200,000 is appropriated from the general fund  
2 to the University of Alaska for construction of student housing at the  
3 Juneau campus.

4 \* Sec. 8. The sum of \$6,500,000 is appropriated from the general fund  
5 to the University of Alaska for construction of student housing at the  
6 Kenai Community College campus.

7 \* Sec. 9. The appropriation made by sec. 1 of this Act lapses into the  
8 general fund July 1, 1984.

9 \* Sec. 10. The appropriations made by secs. 2 - 8, of this Act are for  
10 capital projects and are subject to AS 37.25.020.

11 \* Sec. 11. Sections 1 - 5 of this Act takes effect immediately in  
12 accordance with AS 01.10.070(c).

13 \* Sec. 12. Sections 6 - 8 of this Act take effect May 1, 1984.  
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## Analysis of SB 19

Prepared March 9, 1983

Senator Faiks

SB 19 began as a \$30 million dollar appropriation for construction of UAA dormitory complexes at Anchorage and Fairbanks.

There is a HESS committee substitute and Letter of Intent. The substitute raises the appropriation to \$53,250,000, and expands the bill to include a land purchase in Anchorage, construction money for student housing for Fairbanks, and planning and construction money for student housing in Anchorage, Juneau, and Kenai. The construction appropriations for Anchorage, ~~Kenai~~ and Juneau have an effective date of May 1, 1984. In this way, the necessity of legislating for student housing appropriations in two separate measures is avoided, and commitment to the program is stressed.

The Letter of Intent explains that the effective date of May 1, 1984 for construction funds also allows time for other means of funding to be explored, such as a mixture of revenue bonds, private sector investment and general fund monies. If those possibilities exist, adjustments can be made in the second session of the legislature; if they do not exist, the money is in place for construction.

### Section 1: Land Purchase

It is suggested that a Finance Committee substitute be adopted incorporating the following wording:

" The sum of \$9,900,000 is appropriated from the general fund to the University of Alaska for acquisition of approximately 40 acres of land from Alaska Pacific University under an option to purchase agreement executed in June, 1982."

The change in wording of this section is to further define the land purchase.

In 1982, an option to purchase approximately 40 acres of APU land for 10.9 million dollars was negotiated. The option to purchase cost one million dollars per year for three years. The cost of the option reduces the purchase price of the land. The previous legislature appropriated 1 million dollars for the option with the hope and expectation that this year sufficient funds for the complete purchase might be appropriated. Section 1 of the bill does just that.

#### Section 2 and Section 6: Anchorage

Appropriates 1 million for planning, including preparation of engineering plans, and \$10 million for construction of student housing at UAA and ACC in Anchorage. The housing will be built on land purchased by Section 1.

In 1974, ASHA did a study and estimated housing requirements for students in Anchorage would reach 800-1200 students by the early 1980's. In 1981, a pre-registration sample at UAA indicated a need for housing for 410 students. ACC's enrollment is three times that of the University, but has a smaller percentage of students who desire housing. The University feels that the 800+ number estimated by ASHA is valid.

The University Office of Facilities Planning Construction in Fairbanks has determined, based on other construction and cost per square foot formulas, that the Anchorage housing will cost \$10 million to build: Pre-planning, soils work and architectural work generally runs 10% to 20% of the construction cost.

Planning and actual site work can begin immediately, and some housing can be completed in time for occupancy by September, 1984.

About 800 students can be housed in this facility. Each individual unit will have self-contained bath, dining and sleeping areas for a small group or family. There will be no common food service - it is felt to be a greater economy to provide cooking facilities in the individual

units, or let students purchase meal tickets from the Student Union.

It is hoped that fees can be established that will cover the maintenance costs, so that the housing is self-sustaining once it is built.

(Information furnished by Lee Piccard, Vice Chancellor of Campus Affairs, 786-1588).

### Section 3: Fairbanks

Appropriates \$11 million for housing construction at UAA in Fairbanks.

Design and engineering work is done, but a portion of the architectural and administrative costs are not paid. \$8.8 million will be used for actual construction, the rest for administration, fees, furnishings, art and miscellaneous expenses for the project.

This phase of construction will contain 61 units of two bedroom apartments, housing four students each; the total facility will house 254 students. Market survey feasibility studies done in 1982 indicate a demand for 175 units.

-Fairbanks projected rent charge is \$150 per student per month for housing. It is hoped this will cover operation and maintenance so that the housing is self-sustaining.

(Information provided by Jerry Neubert, Office of Facilities, Planning and Construction, 474-7591).

### Section 4 and Section 7: Juneau

Appropriates \$1 million for planning and \$13.2 million for construction of housing at UAA Juneau.

Several studies have been done over the past years to determine the need for student housing in Juneau. In 1981, the Student Housing Committee of UAJ conducted a survey among high school students in

Southeast Alaska. This survey indicated a need for housing for perhaps 750 students over the next few years. This funding will provide housing for the first phase of 250 students. The need for housing will be reconfirmed out of money appropriated for planning. An official study will be done out of the \$1 million dollar planning appropriation.

The City and Borough of Juneau has agreed to donate the land to the University for the student housing. The University does not at this time hold title to the land, but the mechanics to accomplish this is in process.

The proposed building will either be a dormitory-type building which will include common recreational, cafeteria, study room areas, computer room, laundry room and resident manager's quarters, or individual units like those planned in Anchorage and Fairbanks, or a combination of the two plans.

No rent charges have been established as yet.

(Information provided by Gerry Neubert, Office of Facilities, Planning and Construction, UAA, 474-7591).

#### Section 5 and Section 8: Kenai

Appropriates \$650,000 for planning and 6½ million for construction of student housing at Kenai Community College.

A study conducted in 1981 by John Williams of the Kenai Faculty indicated a need for housing 156 students. By the fall of 1984 there is a projected need for housing for 238 students. No additional growth factor was added for the additional student body expected to occupy the new Vocational Training Center so the housing need figure is considered to be conservative.

The bond package that was vetoed by the Governor in 1982 contained a section for an appropriation to the Kenai Peninsula Community College for \$580,000 for engineering and architectural design of student

housing. This is apparently the basis for the \$650,000 request of this year, with an inflation factor, and projects out to \$6,500,000 for the construction phase.

There is sufficient land available on the campus to accommodate the proposed housing.

Section 9:

Money for the land purchase in Anchorage lapses into the general fund July 1, 1984.

Section 10:

Appropriations 2-8 are for capital projects and subject to AS 37.25.020.

Section 11:

Appropriations for the land purchase, planning at Anchorage, Juneau and Kenai and construction at Fairbanks take effect immediately.

Section 12:

Construction appropriations for Anchorage, Juneau and Kenai take effect May 1, 1984.

Introduced: 1/18/83  
Referred: Health, Education and Social  
Services and Finance

Funding Information  
General Fund \$30,000,000  
Other Funds -0-  
\$30,000,000

BY KERTTULA, STURGULEWSKI,  
JOSEPHSON, RAY, V.FISCHER  
FAIKS, KELLY, FERGUSON,  
PETTYJOHN AND HALFORD

1 IN THE SENATE

2

SENATE BILL NO. 19

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act making appropriations to the University of  
7 Alaska for construction of dormitory complexes; and  
8 providing for an effective date."

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

10 \* Section 1. The sum of \$20,000,000 is appropriated from the general  
11 fund to the University of Alaska for construction of a dormitory complex at  
12 the Anchorage campus.

13 \* Sec. 2. The sum of \$10,000,000 is appropriated from the general fund  
14 to the University of Alaska for construction of a dormitory complex at the  
15 Fairbanks campus.

16 \* Sec. 3. The appropriations made by this Act are for capital projects  
17 and are subject to AS 37.25.020.

18 \* Sec. 4. This Act takes effect immediately in accordance with AS 01.-  
19 10.070(c).



# Alaska State Legislature Senate

OFFICIAL BUSINESS  
RULES COMMITTEE

JAN FAIKS  
POUCH V  
JUNEAU, ALASKA 99811  
(907) 465-3770

## MEMORANDUM

March 10, 1983

To: Senate Finance Committee Members

From: Senator Jan Faiks

RE: SB 19, Student Housing and Land Acquisition for UAA

The following materials are contained in your packet for SB 19:

1. SB 19 Original
2. Hess Committee Substitute
3. Hess Committee Letter of Intent
4. Hess Committee Recommendations
5. Proposed Finance Committee Substitute
6. SB 19 Analysis
7. Copy of Option to Purchase AFU Land

Additional back-up material such as housing studies, student petitions, and resolutions from municipal bodies are available in my office.

Introduced: 1/18/83  
Referred: Health, Education and Social  
Services and Finance

Funding Information

General Fund \$30,000,000  
Other Funds -0-  
\$30,000,000

BY KERTTULA, STURGULEWSKI,  
JOSEPHSON, RAY, V. FISCHER  
FAIKS, KELLY, FERGUSON,  
PETTYJOHN AND HALFORD

1 IN THE SENATE

2 SENATE BILL NO. 19

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making appropriations to the University of  
7 Alaska for construction of dormitory complexes; and  
8 providing for an effective date."

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

10 \* Section 1. The sum of \$20,000,000 is appropriated from the general  
11 fund to the University of Alaska for construction of a dormitory complex at  
12 the Anchorage campus.

13 \* Sec. 2. The sum of \$10,000,000 is appropriated from the general fund  
14 to the University of Alaska for construction of a dormitory complex at the  
15 Fairbanks campus.

16 \* Sec. 3. The appropriations made by this Act are for capital projects  
17 and are subject to AS 37.25.020.

18 \* Sec. 4. This Act takes effect immediately in accordance with AS 01.-  
19 10.070(c).

Offered: 2/21/83  
Referred: Finance

Original sponsors: Kerttula, Sturgulewski,  
Josephson, et al

Funding Information

General Fund	\$53,250,000
Other Funds	-0-
	<u>\$53,250,000</u>

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

1 IN THE SENATE

2

CS FOR SENATE BILL NO. 19 (HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act making appropriations to the University of  
Alaska for student housing and land acquisition; and  
providing for an effective date."

8

9

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

10

\* Section 1. The sum of \$9,900,000 is appropriated from the general  
fund to the University of Alaska for acquisition of land for the Anchorage  
campus.

12

13

\* Sec. 2. The sum of \$1,000,000 is appropriated from the general fund  
to the University of Alaska for planning, including preparation of engi-  
neering plans, for student housing at the Anchorage campus.

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\* Sec. 3. The sum of \$11,000,000 is appropriated from the general fund  
to the University of Alaska for construction of student housing at the  
Fairbanks campus.

18

19

\* Sec. 4. The sum of \$1,000,000 is appropriated from the general fund  
to the University of Alaska for planning, including preparation of engi-  
neering plans, for student housing at the Juneau campus.

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\* Sec. 5. The sum of \$650,000 is appropriated from the general fund to  
the University of Alaska for planning, including preparation of engineering  
plans, for student housing at the Kenai Community College campus.

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\* Sec. 6. The sum of \$10,000,000 is appropriated from the general fund  
to the University of Alaska for construction of student housing at the  
University of Alaska, Anchorage and the Anchorage Community College  
campuses.

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\* Sec. 7. The sum of \$13,200,000 is appropriated from the general fund

1 to the University of Alaska for construction of student housing at the  
2 Juneau campus.

3 \* Sec. 8. The sum of \$6,500,000 is appropriated from the general fund  
4 to the University of Alaska for construction of student housing at the  
5 Kenai Community College campus.

6 \* Sec. 9. The appropriation made by sec. 1 of this Act lapses into the  
7 general fund July 1, 1984.

8 \* Sec. 10. The appropriations made by secs. 2 - 8 of this Act are for  
9 capital projects and are subject to AS 37.25.020.

10 \* Sec. 11. Sections 1 - 5 of this Act takes effect immediately in  
11 accordance with AS 01.10.070(c).

12 \* Sec. 12. Sections 6 - 8 of this Act take effect May 1, 1984.

February 16, 1983

HESS Committee Letter of Intent

Subject: CSSB 19 (Appropriations to University of Alaska  
for Student Housing and Land Acquisition)

Mr. President:

Your Committee on Health Education and Social Services has had Senate Bill 19 under consideration, and the Committee recommends that the Bill be replaced by Committee Substitute for Senate Bill 19, and that the Committee Substitute (CSSB 19) do pass.

The HESS Committee intends to reflect, through CSSB 19, a commitment that student housing on the Anchorage, Fairbanks, Juneau and Kenai campuses will be provided as expeditiously and cost-effectively as possible.

CSSB 19 contemplates that the University will expedite housing construction. Because architectural and engineering work for the Fairbanks (College) campus has been performed, actual construction at that location could begin during the 1983 construction season.

On the other campuses mentioned, architectural and engineering work is required to be done. Funds for that purpose are made available in CSSB 19. In addition, however, appropriations are also provided for construction at Anchorage, Juneau, and Kenai with an appropriation effective date of May 1, 1984. In this way, we avoid having to legislate for student housing appropriations in two separate measures and we stress our commitment to this program.

The May 1, 1984 appropriation effective date has another purpose. It permits the University to analyze, and to report to the second session of the Thirteenth Legislature in January, 1984 with respect to, the possibility of other funding options for student housing construction. For example, some mixture of revenue bonds, appropriations from the general fund, and private sector investment, might be appropriate in one or more of these cases and might provide student housing at housing rates affordable to Alaska students. If those possibilities can be demonstrated to exist, the second session of the Thirteenth Legislature could make necessary adjustments. If not, the appropriations for housing construction at Anchorage, Juneau and Kenai would be in place without the necessity of additional action by the Legislature.

*Joseph H. Joseph*

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COMMITTEE REPORT

SENATE

1/18/83

FURTHER: FINANCE

Date: 16 Feb, 1983

Mr. President:

The Committee on HEALTH, ED. & SOC. SERV has had SENATE BILL NO. 19

An Act making appropriations to the University of Alaska for construction of dormitory complexes: eff. date.

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for SB 19 (HESS) with  same title  new title
- and recommends my defense
- AND attaches a with "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING DO PASS

V. T. Johnson

H. Rappaport

Rick Halford

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MEMBERS HAVING OTHER RECOMMENDATIONS:

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Joe P. Johnson do pass  
CHAIRMAN

HFC

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

I. REQUEST  
Bill/Resolution No.: Senate Bill 21  
Title: An Act relating to grants for Water  
Sponsor: Kerttula, Ferguson & Josephson  
Requestor: \_\_\_\_\_  
Date of Request: \_\_\_\_\_

II. FISCAL DETAIL  
Agency Affected: Dept. Environmental Conserv.  
Program Category Affected: NRMEC  
BRU, Program of Subprogram(s) Affected: \_\_\_\_\_  
Facility Construction & Operation

sewer, and solid waste facilities.

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES		173.7	173.7	173.7	173.7	173.7
200 TRAVEL		32.0	32.0	32.0	32.0	32.0
300 CONTRACTUAL		30.0	30.0	30.0	30.0	30.0
400 COMMODITIES		1.0	1.0	1.0	1.0	1.0
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING X\$1,000		236.7	236.7	236.7	236.7	236.7
CAPITAL		32,400.0	35,600.0	39,200.0	43,100.0	47,400.0
REVENUE		GF	GF	GF	GF	GF

FUNDING: (Thousands of Dollars)

GENERAL FUND	32,636.7	35,836.7	39,436.7	43,336.7	47,636.7
FEDERAL FUNDS					
OTHER (Specify Source)					
TOTAL	32,636.7	35,836.7	39,436.7	43,336.7	47,636.7

POSITIONS:

FULL-TIME	3.0	3.0	3.0	3.0	3.0
PART-TIME	0.5	0.5	0.5	0.5	0.5
TEMPORARY					
TOTAL	3.5	3.5	3.5	3.5	3.5

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

General Fund appropriation

IV. ANALYSIS: Attach a separate page for any Analysis:

Prepared By: Gary Hayden Phone: 465-2610  
Division: Facility Construction & Operation Date: December 5, 1983  
Approved by Commissioner: Richard A. New Date: 12.5.83  
Department: Department of Environmental Conservation

Distribution:

- Original to Legislative Finance
- Copy to Office of Management and Budget (for Legislature introduced bills)
- Copy to Department (for Governor introduced bills)
- Copy to Sponsor
- Copy to Requestor (if different from Sponsor)

9/14/83

## Fiscal Note Analysis of SB21 (continued)

### Assumptions and Analysis

- 1) It is assumed the Legislature wishes to increase the base level to fund the same number of projects but at a higher level. This will necessitate an increase in capital appropriation administered through Environmental Conservation.
- 2) When the State's financial participation in projects increases from 50% to 75%, most of the capital appropriation for water, sewer, and solid waste projects will be administered by the Department of Environmental Conservation. This would result in a substantial increase in the number of projects processed by DEC.
- 3) The department's existing grant program's staff is consistent with the amount of dollars and projects currently administered and any increase in work level will require an appropriate increase in staff resources. This staff increase will be necessary to ensure grants and payments are made in a timely manner and the existing level of service to communities is continued.
- 4) When projects are administered through DEC, 25% local financial participation will be guaranteed. This will result in an overall savings to the State because projects previously funded at 100% as direct grants can now be funded at 75%.
- 5) Staff increases needed include two environmental engineer positions, one administrative assistant, and 0.5 project auditor.
- 6) Capital budget increase above DEC's FY84 \$46.6 million request is estimated to be an additional \$32.4 million. This would provide a total funding level of \$79.01 million. Preceding years are estimated, with a 10% increase.

# COMMITTEE REPORT

## SENATE

1/28/83

FURTHER:

Date:

3/1/83

Mr. President:

The Committee on FINANCE has had SB 21

Relating to grants for water supply, sewerage and solid waste facilities; eff. date.

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

do pass  do not pass

do pass with attached amendments(s)

replace with CS for SB (C&RA)  same title  
 new title

and recommends do pass with attached amendment

AND attaches a "Letter of Intent"  New Fiscal Note

reports it back without recommendation

referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

[Signature]  
[Signature]  
Bob Mulcahy  
[Signature]  
[Signature]  
[Signature]  
[Signature]  
[Signature]

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\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[Signature]  
CHAIRMAN

SENATE AMENDMENT

By Finance Committee

To: CS for SENATE BILL No. 21 (C&RA)

To: \_\_\_\_\_ HOUSE BILL No. \_\_\_\_\_

PAGE: 1      LINE: 15, 27 & 28

Line 15

Following the word "facilities" insert:

, and solid waste processing and disposal

Lines 27 & 82

Delete:

including the cost of replacing obsolete facilities,

Offered: 1/28/83  
Referred: Finance

Original sponsors: Kerttula, Ferguson  
and Josephson

1 IN THE SENATE

BY THE COMMUNITY AND  
REGIONAL AFFAIRS COMMITTEE

2

CS FOR SENATE BILL NO. 21 (C&RA)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to grants for water supply, sewerage  
7 and solid waste facilities; and providing for an  
8 effective date."

9

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

10

\* Section 1. AS 46.03.030(b) is amended to read:

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\* Sec. 2. AS 46.03.030(d) is amended to read:

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29

(d) The department shall, by regulation, identify those costs  
that [WHICH] are eligible costs for the purposes of this section.  
Eligible costs include the costs that [ESTABLISHED IN A CONSTRUCTION  
CONTRACT WHICH] are necessary for construction of a project including  
the costs of replacing obsolete facilities, but do not include the  
cost of interest and financing and right-of-way acquisition, or costs

1 related to operation, maintenance, and normal repairs. Eligible costs  
2 include the costs of the initial purchase of water delivery and honey  
3 bucket collection vehicles if the vehicles are determined by the  
4 department to be cost effective compared with conventional water  
5 supply and sewage collection systems. Eligible costs also include the  
6 cost of facilities for the maintenance and storage of those vehicles  
7 [REPAIR OR REPLACEMENT OF A PROJECT].

8 \* Sec. 3. AS 46.03.030(e) is amended to read:

9 (e) The department may grant to a municipality not more than 75  
10 [50] percent of the eligible costs, including costs of obtaining  
11 federal waivers from the requirement for secondary treatment plants,  
12 that [WHICH] are not paid for by the federal government for solid  
13 waste processing or disposal facilities constructed after July 1, 1983  
14 [1980]. However, the department may grant a municipality up to 85  
15 [60] percent of the eligible costs not paid for by the federal govern-  
16 ment for a solid waste processing or disposal facility constructed  
17 after July 1, 1983 [1980], if the facility is used for resource recov-  
18 ery. The eligible costs of a solid waste processing or disposal  
19 facility are determined by the federal agency granting the most mone-  
20 tary assistance for construction of the facility. For a solid waste  
21 processing or disposal facility for which federal money is not avail-  
22 able, the department shall determine the eligible costs in accordance  
23 with (d) of this section. A municipality shall construct solid waste  
24 processing or disposal facilities financed by grants under this sec-  
25 tion according to plans and specifications approved by the department.

26 \* Sec. 4. AS 46.03.900(19) is amended to read:

27 (19) "sewer system" or "sewerage system" means pipelines or  
28 conduits, pumping stations, and force mains, and all other appurtenant  
29 constructions, devices, and appliances used for conducting sewage,

1 industrial waste, or other wastes to a point of ultimate disposal and  
2 includes the original purchase of honey bucket collection vehicles and  
3 facilities for the maintenance and storage of those vehicles if the  
4 vehicles are determined by the department to be cost effective com-  
5 pared with conventional sewage collection systems;

6 \* Sec. 5. This Act takes effect July 1, 1983.

THE LEGISLATURE OF THE STATE OF ALASKA  
THIRTEENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 21  
Title Grants for water and sewer facilities  
Requested by SCRA Date 1/21/83

II. FISCAL DETAIL

Agency Affected Department of Community & Regional Affairs  
Program Category Affected Community Development  
BRU; Program, Or Subprogram(s) Affected \_\_\_\_\_  
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-	-0-	-0-		

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

This bill revises the State share for local water and sewer construction from 50% to 75%. This is a Department of Environmental Conservation program and will result in no additional fiscal obligations for this Department.

RECEIVED

No fiscal impact.

FEB 9 1983

LEGISLATIVE FINANCE

IV. DATE 2/1/83

PREPARED BY Richard Rainery  
AGENCY Dept. of Community & Regional Affairs  
PHONE 465-4703

Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)  
33-001 (Rev. 12/82)

OMB Reviewed by:

Introduced: 1/18/83  
Referred: Community and Regional  
Affairs and Finance

BY KERTTULA, FERGUSON  
AND JOSEPHSON

1 IN THE SENATE

2

SENATE BILL NO. 21

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to grants for water supply, sewerage  
7 and solid waste facilities; and providing for an  
8 effective date."

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

10 \* Section 1. AS 46.03.030(b) is amended to read:

11 (b) The department may grant to a municipality, as funds are  
12 available, up to 75 [50] percent of eligible costs not financed by the  
13 federal government, for public water supply, treatment and  
14 distribution systems and public sewage collection, treatment and  
15 discharge facilities for which construction has not commenced on or  
16 before July 1, 1983. If the project is partly financed by the federal  
17 government, a grant under this subsection may not exceed the  
18 difference between the amount of the federal financing for the project  
19 and 87.5 percent of the eligible costs of the project [JUNE 21, 1976].  
20 The eligible cost of a project or portions of a project will be as  
21 determined by the federal agency granting the most monetary  
22 assistance. On projects or portions of projects, for which federal  
23 participation is not available, eligible costs will be determined by  
24 the department in accordance with (d) of this section. Projects shall  
25 be constructed in accordance with plans and specifications approved by  
26 the department.

27 \* Sec. 2. AS 46.03.030(e) is amended to read:

28 (e) The department may grant to a municipality not more than 75  
29 [50] percent of the eligible costs, including costs of obtaining

1 federal waivers from the requirement for secondary treatment plants,  
2 that [WHICH] are not paid for by the federal government for solid  
3 waste processing or disposal facilities constructed after July 1, 1983  
4 [1980]. However, the department may grant a municipality up to 85  
5 [60] percent of the eligible costs not paid for by the federal  
6 government for a solid waste processing or disposal facility  
7 constructed after July 1, 1983 [1980], if the facility is used for  
8 resource recovery. The eligible costs of a solid waste processing or  
9 disposal facility are determined by the federal agency granting the  
10 most monetary assistance for construction of the facility. For a  
11 solid waste processing or disposal facility for which federal money is  
12 not available, the department shall determine the eligible costs in  
13 accordance with (d) of this section. A municipality shall construct  
14 solid waste processing or disposal facilities financed by grants under  
15 this section according to plans and specifications approved by the  
16 department.

17 \* Sec. 3. This Act takes effect July 1, 1983.

POSITION PAPER ON SENATE BILL 21  
by the  
DEPARTMENT OF ENVIRONMENTAL CONSERVATION  
Before the  
SENATE FINANCE COMMITTEE  
March 1, 1983

Senate Bill No 21 amends existing statute AS 46.03.030. This statute authorizes the Department of Environmental Conservation to award grants up to 50 percent of the eligible costs for water, sewerage, and solid waste facilities. The primary purpose of the amendment is to increase the State's grant percentage from 50 to 75 percent. The bill also provides for an effective date.

This bill contains the same major provisions as SB 252 which passed the Legislature last year and was vetoed by Governor Hammond due to several minor provisions not found in SB 21. In his veto statement Governor Hammond stated his support for the basic legislation and his intent to recommend that the new administration reintroduce the bill this session. The Sheffield administration also supports the concept.

The Department supports this legislation for several reasons:

- 1) Small municipalities are often unable to raise the 50 percent local match required under the existing statute. The proposed amendment will allow many of these municipalities to improve their basic sanitation services.
- 2) Federal matching grants have been drastically reduced. Adoption of SB 21 with the accompanying fiscal note will help offset the impact of decreased federal revenues.

- 3) Alaska's residents will receive a nontaxable financial benefit. An increase in State funds will reduce LID and property assessments, thereby providing a financial benefit. Since there is no direct monetary gain for the taxpayer, there can be no increase in their federal income tax.

The Department respectfully recommends that the committee consider one amendment to SB 21, which will make the Bill consistent with the administration's proposal. We request that SB 21 be amended as follows.

Add a provision in Section 1, AS 46.03.030 after line 19, page 1.

Total State funding, from all sources, shall not exceed 75 percent of eligible project costs not financed by the federal government.

This provision prevents the municipal grants program from fully matching appropriations, which would result in 100 percent project financing by the State. Requiring a minimum of 25 percent local funding will provide for more local project management.

Adoption of SB 21 will result in construction of projects that would not have been built under the 50 percent funding program. As a practical matter, however, there is no means by which we can reliably predict which projects will be affected or their costs. The attached fiscal note estimates that if the base level of funding remains constant at \$30.0 million per year, the effect of this bill will be approximately \$19.5 million in FY-84.

Thank you for the opportunity to present these comments. I will be happy to address any questions you may have.

COMMITTEE REPORT  
SENATE

FURTHER FINANCE

1/18/83

Date:

Jan. 27

Mr. President:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had SENATE BILL NO. 21

An Act relating to grants for water supply, sewerage and solid waste facilities; and eff. date.

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for SENATE BILL No. 21  same title  
 new title
- and recommends DO PASS
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

1 [Signature]

1 [Signature]

1 [Signature]

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MEMBERS HAVING  
OTHER RECOMMENDATIONS:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

1 [Signature] (DO PASS)  
CHAIRMAN



Introduced: 1/18/83  
Referred: Resources, Health, Education and  
Social Services and Finance

Funding Information  
General Fund \$4,200,000  
Other Funds -0-  
\$4,200,000

BY FAHRENKAMP, BENNETT,  
MOSS AND STURGULEWSKI

1 IN THE SENATE

2

SENATE BILL NO. 40

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act making special appropriations and appropria-  
7 tion transfers to carry out a Settlement Agreement  
8 between the State and the University of Alaska; and  
9 providing for an effective date."

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

11 \* Section 1. The sum of \$4,200,000 is appropriated from the general  
12 fund to the Department of Revenue for deposit in the fund established under  
13 AS 14.40.400. The purpose of the appropriation made by this section is the  
14 settlement of certain claims of the University of Alaska to certain land of  
15 the state under paragraph 10(a) of the "Settlement Agreement between the  
16 Department of Natural Resources, the Department of Revenue, and the Depart-  
17 ment of Administration and the University of Alaska and the Board of  
18 Regents, as trustees for the University of Alaska" that was submitted to  
19 the Alaska State Legislature on March 26, 1982.

20 \* Sec. 2. Up to the amount of \$148,000 is appropriated from the unex-  
21 pended and unobligated balance of the appropriation made to the University  
22 of Alaska in ch. 101, SLA 1982 for operating expenses for the fiscal year  
23 ending June 30, 1983 that would otherwise lapse into the general fund on  
24 June 30, 1983 and is transferred to the Department of Law for expenses  
25 related to the implementation of the Settlement Agreement described in  
26 sec. 1 of this Act.

27 \* Sec. 3. If the funds transferred to the Department of Law under  
28 sec. 2 of this Act do not amount to \$148,000, then an amount is appropri-  
29 ated from the general fund that, with the amounts transferred under sec. 2

1 of this Act, will provide \$148,000 to the Department of Law for the pur-  
2 poses described in sec. 2 of this Act.

3 \* Sec. 4. This Act takes effect on the effective date of an Act enti-  
4 tled "An Act relating to the transfer of ownership and management of Uni-  
5 versity of Alaska trust land from the Department of Natural Resources to  
6 the Board of Regents of the University of Alaska; and providing for an  
7 effective date."

The following individuals are expected to testify on the University Land Settlement bills:

Senator Farenkamp (or staff) may testify

Mary Tutton, Counsel, University of Alaska (or another University representative)

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Mark Wittow, Special Assistant to the Commissioner, DNR, will be available for questions

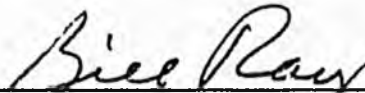
SENATE

LETTER OF INTENT

SB 40

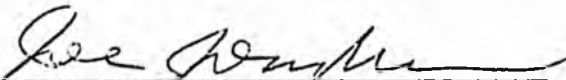
It is our intent that the University of Alaska Board of Regents utilize at least 40% of its Land Grant Trust Fund income for the University Land-grant mission of capital projects and teaching support for agricultural, forestry, fishing and mineral development and education.

Furthermore, as indicated by our amendment to the Resources Committee substitute for Senate Bill 41, it is our intent to require annual reports from the Board of Regents, to be submitted within 10 days of the start of each legislative session, setting forth details as to the Board's past, present and future compliance with the above-stated legislative intent.



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Senator Bill Ray - Chairman



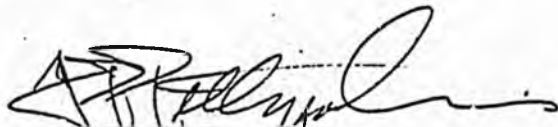
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Senator Joe Josephson - Vice Chairman



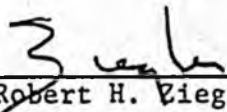
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Senator Richard Eliason



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Senator Fritz Pettyjohn



---

Senator Robert H. Ziegler

Senate adopted Letter of Intent, May 10, 1983.

SENATE BILL 40

APPROPRIATES \$4.2 MILLION AS A SETTLEMENT FOR CLAIMS OF THE UNIVERSITY AGAINST THE STATE.

APPROPRIATED \$148,000 OF UNEXPENDED/UNOBLIGATED FY 82 APPROPRIATIONS TO UNIVERSITY TO THE DEPARTMENT OF LAW TO IMPLEMENT THE TRANSFER OF LANDS TO THE UNIVERSITY.

IF THERE ARE NO LAPSING FUNDS, APPROPRIATED \$148,000 FROM GENERAL FUND.

THE EFFECTIVE DATE IS THE EFFECTIVE DATE ON THE PASSAGE OF SB 41.

SB 40 WAS WAIVED BY H&SS.

RECEIVED AN ADDITIONAL REFERRAL TO JUDICIARY WHERE IT RECEIVED A LETTER OF INTENT.



The Board of Regents

UNIVERSITY OF ALASKA

FAIRBANKS, ALASKA 99701

BOARD OF REGENTS  
RESOLUTION

WHEREAS, The United States Congress reserved land in certain sections 33 located within the Tanana Valley for the University of Alaska by the Act of 1915 (38 Stat. 1214, as amended), and permitted the Territory of Alaska to select 100,000 acres of vacant, non-mineral, unreserved land from the federal public domain for the exclusive use and benefit of the University of Alaska by the Act of 1929 (45 Stat. 1091, as amended) (hereinafter collectively referred to as "University-grant lands"); and

WHEREAS, Congress transferred the University-grant lands to the State of Alaska by Section 6(k) of the Alaska Statehood Act and the State statutorily accepted the benefits and provisions of the federal land grant Acts of 1915 and 1929 by enacting, respectively, AS 14.40.380 and 14.40.390; and

WHEREAS, the University commenced litigation against the State of Alaska on April 23, 1979 (Case No. 3AN-79-2801 Civ., Third Judicial District), seeking compensation for disposals and transactions alleged to be in breach of trust obligations imposed by federal law; and

WHEREAS, representatives of the Alaska Department of Natural Resources and the University of Alaska, after lengthy negotiations, have developed a proposed settlement agreement which would resolve or compromise certain claims and defenses in the pending litigation, to the extent provided by the Agreement; and

WHEREAS, the Board of Regents of the University of Alaska held a special meeting on February 13, 1982, in Fairbanks, Alaska, for the purpose of voting on a motion to approve the proposed settlement agreement; and

WHEREAS, the February 13, 1982, special meeting of the Board of Regents was attended by a quorum consisting of Regents Edward B. Rasmuson (President), Jeffrey J. Cook (Vice President), Donald B. Abel, Jr. (Secretary), Herbert C. Lang (Treasurer), Hugh B. Fate, Jr., Margaret J. Hall, Sara Hannan, and John T. Shively; and

WHEREAS, Regent Cook moved, seconded by Regent Lang, that the Board of Regents adopt the following motion:

"The Board of Regents approves the attached settlement agreement dated February 13, 1982. Any subsequent language changes will be reviewed by the Board at the scheduled March 12, 1982, meeting. The Board directs the President to cooperate with the efforts of the Commissioner for Natural Resources to gain legislative endorsement of the Agreement. Inasmuch as the Governor has not yet had an opportunity to review the agreement, no public release of the document will be made until he has had such opportunity. This motion is effective February 13, 1982."

WHEREAS, upon due deliberation and with the advice of counsel, the Board of Regents unanimously passed the aforesated motion: and

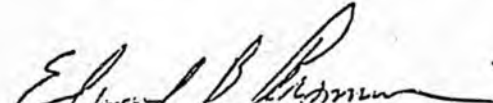
WHEREAS, paragraph twenty-two (22) of the Agreement requires the Board of Regents to pass a resolution signed by all members of the Board approving and adopting the proposed settlement agreement and specifically and irrevocably assuming responsibility as trustees to the University regarding the management and disposition of all lands which are contemplated to be transferred in fee to the University pursuant to the Agreement;


NOW, THEREFORE, BE IT RESOLVED that the Board of Regents approves and adopts the Agreement dated February 13, 1982 and entitled "Settlement Agreement between the Department of Natural Resources, the Department of Revenue, and the Department of Administration, and the University of Alaska, and the Board of Regents as trustees for the University of Alaska," as amended, and

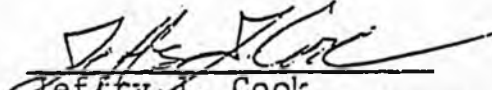
BE IT FURTHER RESOLVED, that the Board of Regents collectively, and each member of the Board of Regents in his or her official capacity individually, specifically and irrevocably assumes responsibility as trustee to the University of Alaska for the management and disposition of all lands which are transferred in fee to the University pursuant to the Agreement, and for the proceeds derived from such lands; and

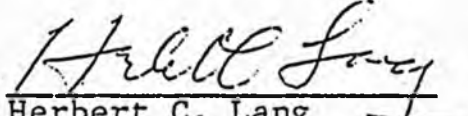
BE IT FURTHER RESOLVED that, this assumption of trusteeship responsibility shall be binding individually upon the successors in the office of regent of the undersigned regents, and collectively upon the Board of Regents, as it may be composed in the future.

DATED this 12<sup>th</sup> day of March, 1982.

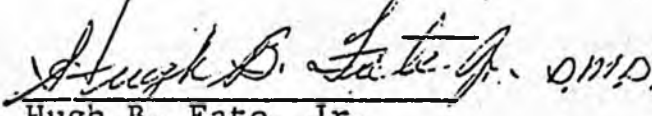
  
Edward B. Rasmuson  
President

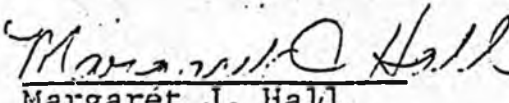
  
Donald B. Abel, Jr.  
Secretary

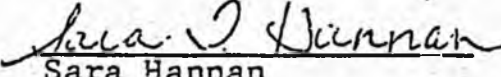
  
Jeffrey S. Cook  
Vice President

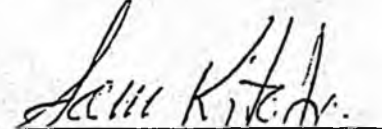
  
Herbert C. Lang  
Treasurer

  
Mildred Banfield

  
Hugh B. Fate, Jr.

  
Margaret J. Hall

  
Sara Hannan

  
Sam Kito, Jr.

  
Thomas J. Miklautsch

  
John T. Shively

SETTLEMENT AGREEMENT BETWEEN THE  
DEPARTMENT OF NATURAL RESOURCES, THE  
DEPARTMENT OF REVENUE, AND THE  
DEPARTMENT OF ADMINISTRATION AND  
THE UNIVERSITY OF ALASKA AND THE BOARD  
OF REGENTS, AS TRUSTEES FOR THE  
UNIVERSITY OF ALASKA

This Agreement entered into this \_\_\_\_ day of \_\_\_\_\_, 1982, between the Department of Natural Resources (hereinafter referred to as "Department"), the Department of Revenue, and the Department of Administration, and the University of Alaska (hereinafter referred to as "University"), acting on its own behalf and through its Board of Regents, sets forth the understanding of the parties as follows:

WHEREAS, the University commenced litigation against the Department, the Department of Revenue, and the Department of Administration on April 23, 1979, Case No. 3AN-79-2801 Civ., Third Judicial District, seeking compensation for disposals and transactions alleged to be in breach of trust obligations imposed by federal law;

and

WHEREAS, the Act of 1915 (38 Stat. 1214, as amended) reserved land in certain Sections 33 located within the Tanana Valley for the University and the Act of 1929 (45 Stat. 1091, as amended) permitted the Territory of Alaska to select 100,000 acres of vacant non-mineral unreserved land from the federal public domain for the exclusive use and benefit of the University (hereinafter collectively referred to as "University-grant lands"); and

WHEREAS, Congress transferred the University-grant lands to the State by Section 6(k) of the Alaska Statehood Act and the State statutorily accepted the benefits and provisions of the Act of 1915 and the Act of 1929 by enacting respectively AS 14.40.380 and 14.40.390; and

WHEREAS, the decisions of the Alaska Supreme Court have interpreted the Acts of 1915 and 1929 and the acceptance by the State as having created a trust for the benefit of the University, and any

sole benefit of the University (State of Alaska v. University of Alaska, 624 P.2d 807 (Alaska 1981); Wessells v. State of Alaska, 362 P.2d 1042 (Alaska 1977)); and

WHEREAS, the Department of Revenue and the Department of Administration have the duty to account and reserve for the exclusive use and benefit of the University the proceeds produced from University-grant lands; and

WHEREAS, the parties to this agreement believe that it is in the best interest of the State to convey certain University-grant lands and certain state lands which are not University-grant lands in fee to the University; and

WHEREAS, the parties believe that it is desirable to compromise the pending litigation to the extent provided by this Agreement and to complete all actions required or contemplated under it, upon execution of the Agreement and where necessary by enactment of legislation; and

WHEREAS, the parties to this Agreement believe that it is in the best interests of the parties that the University receive title to and management of certain University-grant lands, to be administered, controlled and managed through the Board of Regents, as trustee for the University; and

WHEREAS, the parties acknowledge that it is their intent by this Agreement and such legislation to accomplish the following:

1. Differentiate between state public domain lands and University-grant lands by providing separate and distinct land management to insure the future management of University-grant lands in accordance with recognized trust principles;

2. Resolve conflicts resulting from past management of all lands granted to the State for the benefit of the University by the United States pursuant to the Acts of 1915 and 1929;

3. Fulfill the purpose for which the University-grant lands were originally granted;

4. Convey title in fee to certain University-grant lands and certain other state lands to the University upon authorization by the legislature and transfer money to the University of Alaska Permanent Fund (hereinafter referred to as "fund") upon appropriation by the

5. Establish methods of calculation of the dollar amount due, with interest, not collected and allocated to the fund, by the Department, the Department of Revenue or the Department of Administration with regard to the management and disposal of University-grant land, and the dollar amount due, with interest, to the fund for University-grant lands and resources therefrom which have been disposed of at less than then-current fair market value by the State; and

WHEREAS, upon enactment of legislation the Commissioners of the Departments of Natural Resources, Revenue, and Administration, will have the authority to implement this Agreement, and the Board of Regents is empowered to act on behalf of the University pursuant to Article VII, Section 3 of the Alaska Constitution and AS 14.40.170, 14.40.250, 14.40.280, 14.40.350, 14.40.360, and 14.40.400;

NOW THEREFORE, for and in consideration of the terms; covenants and conditions contained herein, the parties agree as follows:

1. Applicable Time Periods. Because of the difficulty in providing an accurate accounting and analysis of long past disposals and transactions, and considering the possible application of the doctrine of laches and statutes of limitation, the parties acknowledge that the calculation of compensation due the University shall be limited to the period from January 1, 1960 forward for certain disposals and transactions as specified in paragraphs 2 and 3 and from January 1, 1968 forward for certain other disposals and transactions as specified in paragraphs 2 and 3.

2. Determination of Dollar Amount for Prior Disposals and Transactions at Less Than Fair Market Value. The dollar amount due for prior disposals and transactions shall be calculated as follows:

a) To determine the dollar amount due for rights-of-way, permits, easements, materials, and fees conveyed other than at appraised value, and legislative and administrative withdrawals and reservations made or executed on or after January 1, 1968, the parties shall mutually select and instruct an independent fee appraiser to determine the fair market value of the land and resources involved in each transaction identified in Appendices A, B and D on the date the disposal or transaction

binding upon the parties, and shall be brought forward with interest from the date of transaction to the date the grand total in Appendix M is determined at nine percent (9%) per year, compounded annually. The total amount due for each transaction shall be entered in Appendix M. No compensation is due for such disposals and transactions made or executed before January 1, 1968.

b) To determine the dollar amount owed to the University for unduly encumbered lands which the University shall convey to the State by quitclaim deed under this Agreement, the parties shall mutually select and instruct an independent fee appraiser to determine the current fair market value of the lands identified in Appendix E. These lands may be removed by the University from Appendix E within 120 days after the date of this Agreement. Additional University-grant lands not listed in any Appendix and which are found to be subject to past disposals may be added to the applicable Appendix by agreement of the University and the Department, not later than February 1, 1983.

c) To determine the dollar amount owed for incomplete land exchanges and leases, excluding mineral leases and oil and gas leases, made or executed after January 1, 1960, on University-grant lands, the parties shall mutually select and instruct an independent fee appraiser to determine the current fair market value of the land which is identified in Appendices C and F. The value determined by the appraiser shall be binding upon the parties. The current fair market value of the leased lands shall be used in conjunction with the provisions set forth in Appendix G to determine the value of each lease. The value of each lease shall be set forth in Appendix H. The total value of all leases shall be entered in Appendix M. No compensation is due for mining locations, mineral leases or oil and gas leases except as provided in paragraphs 3 and 4.

Land exchanges presently incompleated which are completed within one year of the signing of this Agreement shall not be included in the total dollar amount due as identified in Appendix M.

3. Determination of Compensation for All Uncollected or Unallocated Revenues. The Department, the Department of Revenue, and

Department of Administration shall provide the University access to all data, files, accounting and all other information, in whatever form, concerning disposals and transactions on University-grant lands made or executed after January 1, 1960, or January 1, 1968, as appropriate under paragraph 1. All revenues, including revenue from oil and gas leases executed after January 1, 1960, if any, which could have been collected according to the terms of the instrument making the disposal or governing the transaction and which should have been collected for or allocated to the fund but were not, shall be entered into Appendix I and added to the total dollar amount and entered in Appendix M. The amount of uncollected or unallocated revenues shall bear interest at nine per cent (9%) per year, compounded annually from the date of the initial billing period in which each amount was not collected or allocated.

4. Liquidated Damages. In recognition of the difficulty of precisely determining the dollar amount owed the University with regard to the State's management, reservation and disposal of University-grant lands and interests therein at less than their then-current fair market value, including without limitation mineral locations, claims and prospecting, leasing activity including mineral and oil and gas, and preference rights not otherwise addressed in this Agreement, the parties agree that the University should receive, upon proper appropriation by the Legislature, liquidated damages. Liquidated damages shall also include all claims for trespass, non-aggressive and non-productive management, all demands for indemnity against claims made by third parties, and any claim against the state or agent thereof for punitive damages. The parties agree that the University shall have the right without interference from the Department to seek liquidated damages through a legislative appropriation in an amount not more than five million dollars (\$5,000,000.00). The parties acknowledge that the liquidated damages should not constitute a penalty but reflect a reasoned compromise of damages sustained.

5. Supplement to Appendices. Except as otherwise specifically provided herein, the parties shall have one hundred fifty (150) days from the signing of this Agreement to supplement, correct and modify the Appendices to insure their accuracy.

6. Conveyance by Quitclaim Deed. The Department shall transfer to the Board of Regents, as trustee for the University, all University-grant lands identified in Appendix N and all state lands identified for transfer to the University pursuant to paragraph 12 by quitclaim deed. The University shall convey to the State all lands identified in Appendix E by quitclaim deed.

7. Termination of Interests Which the State Granted To Itself. The Department shall terminate within ninety (90) days after the effective date of this Agreement those interests in University-grant lands identified in Appendix K which it has granted to itself or other state agencies, departments, or entities and which are, by the terms of the transfer document, terminable at will by the Department. The interests to be terminated under this paragraph may include, but are not limited to, special land use permits (SLUPs), miscellaneous land use permits (MLUPs), free use permits (FUPs), personal use permits (PUPs), temporary use permits (TUPs), land use permits (LUPs), Interagency Land Management Assignments (ILMAs), and Interagency Land Management Transfers (ILMTs).

8. Acknowledgement and Disposition of Third Party Lease Interests. All lease interests granted to third parties listed in Appendix L are acknowledged by the University as binding contracts with the State of Alaska through the Department. The Department shall administer these leases according to the applicable state statutes until the University requests that administrative responsibilities for the leases be transferred to the Board of Regents or the lease term expires, whichever occurs first. In the event of the lessee's default the State shall succeed to the lessee's term of years and may transfer the lease hold interest in the lands to the University or use the lands or re-lease them until the expiration of the original lease term.

The State shall purchase any leased lands identified in Appendix F which the University elects not to retain by February 1, 1983, at their current fair market value as determined by appraisal. The University shall receive the proper amount of rental value from the date of the execution of the lease until February 1, 1983, according to the lease valuation provisions set forth in Appendix G.

9. Other Third Party Interests. The University acknowledges all valid existing third party interests of which it has knowledge or which are a matter of public record in addition to those referred to in paragraph 8 but excluding selections made by municipalities pursuant to AS 29.18.201-213 or any predecessor statute thereto. The University shall not contest the validity of any mining claim on University grant lands or state lands/<sup>conveyed</sup>to the University pursuant to this Agreement except for failure to record a location certificate or perform annual labor as required by law.

The University shall not impose any royalty or other charge in excess of that currently charged, or to be charged in the future, by the state on state lands, on the right to extract locatable minerals from any mining claims for which a location certificate had been recorded and any required annual labor had been performed at the date this Agreement is signed.

10. Method of Compensation to the University.

a) Cash Settlement. The University may elect to receive a full or partial cash settlement for the total dollar amount owed in the form of a deposit into the fund, dependent only upon appropriations made for such purpose by the Legislature. The University shall have free access to any amount appropriated as monetary compensation for a period of two years from the date of deposit, during which time such money may be used only to purchase real property if statutory authority to purchase real property is enacted. After two years, the balance of the fund not used to purchase real property shall be available for all lawful purposes for which the fund may be used. The parties shall seek, during the 1983 legislative session, an appropriation for the dollar amount the University elects to receive as a cash settlement.

b) Land Settlement. The University may elect no later than October 30, 1983, to receive full or partial settlement of the total dollar amount due through the conveyance of state lands of equal fair market value identified in the pools established pursuant to paragraph 12. Nothing in this agreement requires the value of lands in the pools established pursuant to paragraph 12 to equal or exceed the total dollar amount due. The University shall obtain the surface and subsurface estate of such lands encumbered by the restrictions

11. Interest. The total dollar amount due the University under this Agreement shall bear interest at the rate of 10.5% from the time the grand total in Appendix M is determined until the University has received full compensation as provided in paragraph 10 of this Agreement.

12. Pool of Lands. If the University elects to receive all or part of the total dollar amount due in land pursuant to paragraph 10 it shall be entitled to receive lands from three (3) pools established by the Commissioner of the Department as follows:

a) The first pool shall contain all land owned by the State upon which the University has located improvements and which are identified in Appendix O. The parties shall have thirty (30) days after the signing of this Agreement to correct Appendix O to insure its accuracy. The parties shall mutually select and instruct, by August 1, 1982, an independent fee appraiser to determine the current fair market value of the lands identified in the first pool. The appraiser shall determine the value by February 1, 1983, and such value shall be binding upon the parties. The University shall be required to accept the lands identified in the first pool and shall offset their appraised value against the total dollar amount due.

b) The second pool shall contain the lands identified in Appendix O which the University may select. The parties shall have thirty (30) days after the signing of this Agreement to supplement, correct and modify Appendix O. The parties shall mutually select and instruct, by August 1, 1982, an independent fee appraiser to determine the current fair market value of the lands which the University selects from the second pool. The appraiser shall determine the value by February 1, 1983, and such value shall be binding upon the parties. The University shall identify, by May 30, 1983, any lands which it selects from the second pool. The University reserves the right to independently determine if any of the lands contained in the second pool are a financially prudent or commercially reasonable acquisition for the trust established by the Act of 1915 and the Act of 1929. The Department does not represent that any of the lands in the second pool are suitable for acquisition for the trust. The University shall offset the appraised value of the lands it selects from the second

c) The University shall accept the lands identified in the first pool and shall make its selections from the second pool by May 30, 1983. Lands not selected by the University by May 30, 1983, shall cease to be reserved for selection by the University.

d) By June 30, 1983, the Department will review all lands for which the State receives tentative approval between March 1, 1982, and March 31, 1983. The Department may include any such lands which it, in its sole discretion, chooses in a third pool. The Department may also include in the third pool any of the lands previously within the second pool and not selected by the University. The Department may choose not to include any land in the third pool. The parties shall mutually select and instruct, by July 15, 1983, an independent fee appraiser to determine the current fair market value of the lands, if any, in the third pool. The value shall be determined by September 30, 1983, and shall be binding upon the parties. The University shall identify, by October 30, 1983, those lands which it selects from the third pool. The University reserves the right to independently determine if any of the lands contained in the third pool are a financially prudent or commercially reasonable acquisition for the trust established by the Act of 1915 and the Act of 1929. The Department does not represent that any of the lands in the third pool are suitable for acquisition for the trust. The University shall offset the appraised value of any lands it may select from the third pool against the total dollar amount due. Lands not selected by the University by October 30, 1983, shall cease to be reserved for selection by the University.

e) The Department shall not make any conveyances of land to the University under this Agreement unless statutory authority to make such conveyances is first enacted. The Department shall not be obligated to pay for the appraisals required pursuant to this Agreement.

13. Mutual Assistance. The parties agree to cooperate in the following ways in order to effectuate the purposes of this Agreement, and to accomplish the goals set forth in the statement of intent:

a) The parties agree to use their best efforts in a spirit of cooperation to seek introduction in the 1982 session of the Alaska Legislature suitable legislation seeking approval of this

Agreement and authorizing the conveyance of University grant lands as contemplated by this Agreement and appropriating those amounts required for the costs of obtaining appraisals and the expenses necessary to implement this Agreement. The parties agree to work diligently for final passage and enactment of such legislation. A proposed draft of legislation which the parties presently believe will fulfill these objectives is attached to this Agreement as Appendix P.

b) The University plans to seek introduction of suitable legislation in the 1983 Legislative session to authorize conveyance of lands selected by the University from the pools created pursuant to paragraph 12 and/or an appropriation to fund any dollar amount due. After examining the Grand Total as finally determined and set forth in Appendix M, the other parties to this Agreement will decide whether they can support such legislation. If the State determines it can not support the Grand Total as finally determined and set forth in Appendix M, then the University shall also not be bound by the Grand Total, except that the parties agree to use the procedures described in this Agreement. The parties to this Agreement will also seek introduction of suitable legislation in the 1983 legislative session to make statutory references to University-grant lands consistent with this Agreement. The University shall seek appropriate legislation clarifying the duties and responsibilities of the Board of Regents as trustee of University-grant lands and state lands transferred to the University pursuant to this Agreement. If pursuant to Paragraph 10 a cash settlement is elected, the parties shall seek to introduce legislation during the 1983 session appropriating the money required. The University shall seek legislation during the 1983 session permitting the University to invest any money appropriated in real property.

c) In the event that the University successfully petitions the United States Congress for additional federal lands to compensate the University with in-lieu lands for lands reserved under the Acts of 1915 and 1929 but which were not conveyed to the State pursuant to Section 6(k) of the Alaska Statehood Act, the Department shall submit, on behalf of the University, all necessary selection applications, forms and related documentation required by applicable law to perfect the selection and patent for said in-lieu lands to the State and convey those lands to the Board of Regents pursuant to this Agreement.

to this Agreement will also seek introduction of suitable legislation in the 1983 legislative session to make statutory references to University-grant lands consistent with this Agreement. The University shall seek appropriate legislation clarifying the duties and responsibilities of the Board of Regents as trustee of University-grant lands and state lands transferred to the University pursuant to this Agreement. If pursuant to Paragraph 10 a cash settlement is elected, the parties shall seek to introduce legislation during the 1983 session appropriating the money required. The University shall seek legislation during the 1983 session permitting the University to invest any money appropriated in real property.

c) In the event that the University successfully petitions the United States Congress for additional federal lands to compensate the University with in-lieu lands for lands reserved under the Acts of 1915 and 1929 but which were not conveyed to the State pursuant to Section 6(k) of the Alaska Statehood Act, the Department shall submit, on behalf of the University, all necessary selection applications, forms and related documentation required by applicable law to perfect the selection and patent for said in-lieu lands to the State and convey those lands to the Board of Regents pursuant to this Agreement.

d) The Department shall assist the University for two years after the University receives title to University-grant lands and other state lands as a result of this Agreement by providing available resource and planning information.

14. Future Management of University-Grant Lands. The Board of Regents, as trustee for the University of Alaska, shall have the responsibility and duty to control, administer, and manage all lands which are transferred to the University pursuant to this Agreement, for the exclusive use and benefit of the University and for its financial enhancement and security. The Board of Regents shall manage such lands for educational purposes and to produce the maximum amount of income for the University. The Board of Regents shall not have responsibility for, or control over, the fish and game on, or the appropriation of water from, University-grant lands, both of which shall be subject to applicable state laws and regulations. The University shall provide

legal access to all navigable and public waters on or adjacent to the lands which are the subject of this Agreement. The University recognizes that lands underlying navigable waters are owned in fee by the State, and are not subject to the provisions of this Agreement. The management of such lands shall be coordinated by the State with the Board of Regents' management of adjacent lands which have been conveyed by this Agreement. Nothing in this Agreement shall prevent the University from applying for a permit to appropriate water pursuant to the Alaska Water Use Act, A.S. 46.15.

15. Interim Management. After signing of this Agreement creation of any third party interests in the University grant land or lands reserved for selection by the University pursuant to paragraph 12 shall require approval by the University with the exception of lease conversions pursuant to Section 12, ch 138, SLA 1977 as amended. University-grant lands which are the subject of municipal selections will not be conveyed to the applicant until the University has approved replacement lands as contemplated by AS 29.18.206(d).

16. Resumption of Litigation. In the event that the University does not receive the total dollar amount owed in cash or land as provided in this Agreement by October 30, 1983, the parties shall be deemed not to have waived any right they may have otherwise had to maintain or resume the pending litigation in Case No. 3AN-79-2801 Civ., Third Judicial District, State of Alaska. In the event the Court requires that this action be dismissed in the interim, such dismissal shall be stipulated by the parties to be without prejudice, and the parties shall further stipulate that it may be re-filed by any of them at a future date.

17. No Waiver of Claims or Defenses. The parties agree that by their voluntary participation in the negotiation, execution and implementation of this Agreement, they shall not have thereby waived any claim, defense, counterclaim, set-off or legal or equitable remedy which each may pursue against the other in the event that full compensation due the University, in money or land, is not transferred to it pursuant to the obligations contained in this Agreement and

litigation is thereafter resumed pursuant to paragraph 16. Nothing in this Agreement or any Appendix hereto shall be admissible in pending or future litigation or presented to a court for any purpose except enforcing this Agreement. This prohibition does not extend to proof of actions taken by the Legislature on legislation required by or related to the subject of this Agreement.

18. Extinguishment of All Claims. The parties agree that upon discharge of the obligations of the State under this Agreement, all claims which are the subject of Case No. 3AN-79-2801 Civ., Third Judicial District, State of Alaska, and all other claims which the University has or had against the State or any agent which are based upon a breach of trust obligations under the Acts of 1915 or 1929, shall be merged in the settlement and finally extinguished, excluding only those claims against the State and the Municipality of Anchorage or any other entity claiming University-grant lands under AS 29.18.201-213, or any predecessor statute thereto.

19. No Waiver of Breach or Defense. No failure by either party to insist upon the strict performance by the other of any term or condition of this Agreement, or to exercise any right or remedy upon a breach thereof, shall constitute a waiver of any such breach or of such term or condition. No waiver of any breach shall affect or alter this Agreement, but each and every term and condition of this Agreement shall continue in full force and effect with respect to any other then-existing or subsequent breach.

20. Litigation with the Municipality of Anchorage. This Agreement does not affect the pending litigation by the University against the Municipality of Anchorage in Case No. 3AN-79-2801 Civ., Third Judicial District, State of Alaska. The University retains all causes of action, claims, demands and right to damages, expenses and compensation which it now has or may hereafter have against the State or the Municipality of Anchorage as a result of the Municipality's selection of University-grant lands pursuant to AS 29.18.201-213, or any predecessor statute thereto.

21. Notice. If it becomes necessary as a result of the execution and performance of this Agreement to provide public notice

pursuant to Article VIII, Sec. 10 of the Alaska Constitution or to AS 38.50.110, the Department and the University shall cooperate in complying with such notice requirements.

22. Resolution by Board of Regents. The Board of Regents shall, if it approves this Agreement, pass a resolution signed by all members of the Board, approving and adopting this Agreement, and specifically and irrevocably assuming responsibility as trustee to the University regarding the management and disposition of all lands which are contemplated to be transferred in fee to the University pursuant to this Agreement. The State shall have the right to review the form and adequacy of the assumption of the obligations of trustee by the Board, prior to making any land conveyances under this Agreement.

23. Advice of Counsel. Each of the parties acknowledges that it was represented by counsel during the negotiation, drafting and execution of this Agreement.

24. Good Faith. The parties agree that the performance of all obligations set forth in the terms and conditions herein shall be conducted in good faith.

25. Successors in Interest. Each and all of the terms, covenants and conditions in this Agreement shall inure to the benefit of, and shall be binding upon, the successors in interest of each of the parties to this Agreement.

26. Enforcement. Enforcement of the public trust responsibilities required to be assumed by the Board of Regents as a result of its approval of this Agreement shall be vested in the Office of the Attorney General, State of Alaska.

DATED: 3/12/82

DATED: 3-11-82

By Edward Rasmuson

Edward Rasmuson, President of  
of  
the Board of Regents

By John W. Katz

John W. Katz, Commissioner  
the Department of Natural  
Resources

DATED: 3/12/82

DATED: 3-11-82

By Jay Barton

Jay Barton, President of the  
University of Alaska

By Thomas Williams

Thomas Williams, Commissioner  
of the Department of Revenue

Approved as to Form:

DATED: 3-11-82

By Astrid de Pany

Counsel for the University

By William Hudson

William Hudson, Commissioner  
of the Department of  
Administration

By Robert P. Peier

Assistant Attorney General

STATE OF ALASKA )

) ss.

THIRD JUDICIAL DISTRICT )

THIS IS TO CERTIFY that on this 12<sup>th</sup> day of March, 1982, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared EDWARD RASMUSON, known to me and to me known to be the individual described in and who executed the foregoing instrument, and he acknowledged to me that he signed the same freely and voluntarily for the uses and purposes therein described.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first hereinabove written.

Anne M. Sweeney  
Notary Public in and for Alaska  
My Commission Expires: 3/14/84

STATE OF ALASKA            )  
  ) ss.  
THIRD JUDICIAL DISTRICT )

THIS IT TO CERTIFY that on this 12<sup>th</sup> day of March, 1982, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared JAY BARTON known to me and to me known to be the individual described in and who executed the foregoing instrument, and he acknowledged to me that he signed the same freely and voluntarily for the uses and purposes therein described.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first hereinabove written.

Anne M. Sweeney  
Notary Public in and for Alaska

STATE OF ALASKA )

) ss.

THIRD JUDICIAL DISTRICT )

THIS IS TO CERTIFY that on this 11<sup>th</sup> day of March, 1982, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared JOHN W. KATZ known to me and to me known to be the individual described in and who executed the foregoing instrument, and he acknowledged to me that he signed the same freely and voluntarily for the uses and purposes therein described.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first hereinabove written.



Sennie Boston

Notary Public in and for Alaska

My Commission Expires: Nov. 2, 1983

STATE OF ALASKA )

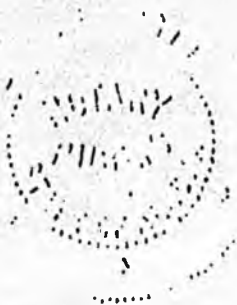
) ss.

THIRD JUDICIAL DISTRICT )

THIS IT TO CERTIFY that on this 11<sup>th</sup> day of March, 1982, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared WILLIAM HUDSON, known to me and to me known to be the individual described in and who executed the foregoing instrument, and he acknowledged to me that he signed the same freely and voluntarily for the uses and purposes therein described.



IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first hereinabove written.



Jennie Boston

Notary Public in and for Alaska

My Commission Expires: Nov. 2, 1983

STATE OF ALASKA )

) ss.

THIRD JUDICIAL DISTRICT )

THIS IT TO CERTIFY that on this 11<sup>th</sup> day of March, 1982, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared THOMAS WILLIAMS, known to me and to me known to be the individual described in and who executed the foregoing instrument, and he acknowledged to me that he signed the same freely and voluntarily for the uses and purposes therein described.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first hereinabove written.



Jennie Boston

Notary Public in and for Alaska

My Commission Expires: Nov. 2, 1983

**Legislative History  
Financial Summary  
Survey of Similar Funds**

# **LAND GRANT TRUST FUND**

**BRIEFING  
PAPER**

THE UNIVERSITY OF ALASKA

Jay Barton, President

Briefing Paper

"UNIVERSITY OF ALASKA LAND GRANT TRUST FUND"

December, 1982

For further information, contact: Sherman Carter  
Executive Vice President  
474-7448

## EXECUTIVE SUMMARY

Congressional acts in 1915 and 1929 granted the University of Alaska about 113,000 of land for its exclusive use and benefit. In 1967 the Alaska legislature directed the state Department of Revenue to establish a separate fund in which all money derived from these university trust lands would be deposited. As of June 30, 1982, the fund totaled \$5,462,670.

Investment earnings from this University of Alaska land grant trust fund, also referred to as the university's "permanent fund", are made available to the university for use as specified by the university's Board of Regents. During the current year, such earnings are being used for land management, rental charges for office space, legal expenses and rental charges for computer hardware. No problems have arisen with respect to the use of such income. However, questions have been asked regarding what will be done with this income if it increases as a result of the pending land settlement.

The land settlement is expected to result in equal value land being transferred to the university by the state to replace university trust land previously withdrawn by the state for other uses. Any cash paid by the state to the university as a result of the settlement would pass to the state Department of Revenue for deposit into the University of Alaska land grant trust fund invested and managed by that department.

The principal in this fund will increase over time. However, the investment earnings will not be large enough in the foreseeable future to have any significant influence on the amount of general funds requested to support the university. Falling interest rates will require a larger principal balance for investment than now exists in the fund just to sustain the current flow of investment earnings.

Currently, the state informs the university how much investment income it will receive from its permanent fund and the university informs the state how that income will be used. No change in this procedure or in legislation governing the University of Alaska land grant trust fund is indicated at this time.

## BACKGROUND

The financial history of the University of Alaska land grant trust fund is shown below:

<u>Fiscal Year Ending</u>	<u>Fund Balance</u>	<u>Income Additions to the Fund (1)</u>	<u>Investment Income (2)</u>
June 30, 1960	16,256.03		
June 30, 1961	620,726.03	604,470.00	7,120.14
June 30, 1962	819,685.89	198,959.86	17,468.21
June 30, 1963	976,684.86	156,968.47	27,214.92
June 30, 1964	1,149,978.39	173,324.03	36,844.50
June 30, 1965	1,177,158.03	27,179.64	39,614.61
June 30, 1966	1,201,666.03	24,508.00	48,967.84
June 30, 1967	1,216,652.43	14,986.40	48,849.89
June 30, 1968	1,282,732.91	66,080.48	48,834.88
June 30, 1969	1,375,217.02	92,484.11	52,169.75
June 30, 1970	1,430,702.00	55,485.00	67,801.90
June 30, 1971	1,489,083.00	58,381.00	63,158.00
June 30, 1972	1,646,536.76	157,453.76	85,595.23
June 30, 1973	1,821,277.76	174,741.00	83,407.00
June 30, 1974	2,077,520.77	256,243.01	134,087.58
June 30, 1975	2,220,163.04	142,642.27	164,022.28
June 30, 1976	2,362,805.04	142,642.00	184,105.00
June 30, 1977	2,543,394.00	180,588.96	178,873.00
June 30, 1978	2,690,576.00	147,182.00	223,117.00
June 30, 1979	2,930,925.96	240,349.00	210,112.00
June 30, 1980	4,903,352.73	1,972,426.77(3)	316,919.72
June 30, 1981	5,240,946.91	337,594.18	525,365.13
June 30, 1982	5,462,670.29	221,723.38	611,779.04(4)

### Footnotes

1. University grant lands generate income as a result of leases, easements and materials sales (e.g., timber, gravel, oil). Income cannot be used directly by the university but instead goes into the University of Alaska "permanent fund" managed by the State Department of Revenue.
2. Investment income from the fund is made available to the university quarterly, for use as specified by the university's Board of Regents.
3. In September 1979, the fund was increased by \$1,761,500 as a result of the sale of a right-of-way across university land in the Anchorage area.
4. Additionally, in FY82, \$70,575.00 in interest was earned on unexpended land grant trust fund income.

The effect of state legislation pertaining to the University of Alaska land grant trust fund is summarized below:

A.S. 14.40.400 provides that, "The Department of Revenue shall establish a separate fund in which all monies derived from the sale or lease of lands granted under Act of Congress approved January 21, 1929<sup>1</sup> shall be held in trust. The trust fund shall be invested in interest bearing securities as approved by the Governor. The income from the trust fund shall be used exclusively for the agricultural college and school of mines...<sup>2</sup> The Department of Administration shall disburse the income from the trust fund upon vouchers approved by the president and treasurer of the university specifying the purpose for which the money is to be used and showing it is to be used in conformity with this section."

The principal of this fund is a non-expendable trust. Receipts to the fund include land lease rentals, mineral lease rentals, sale of lands, sale of resources, bonus mineral leases, and royalties on minerals. Disbursements from the fund by the Department of Revenue are made for the purchase of investments and to distribute investment earnings to the University of Alaska.

Pertinent federal legislation is summarized below:

The University of Alaska did not receive grant lands under initial land grant legislation in 1862; however, language in that legislation indicates the intent of congress with respect to trust lands it provided to help support land grant colleges and universities. That legislation includes the following:

"All monies derived from the sale of lands. . .shall be invested. . .The monies so invested shall constitute a perpetual fund, the capital of which shall remain forever undiminished. . .and the interest of which shall be inviolably appropriated. . .to the endowment support and maintenance of at least one college where the leading object

<sup>1</sup> The University of Alaska also received about 13,000 acres of land grant trust land in the Tanana Valley from the federal government in 1915, income from which has been handled the same way as from federal land grant trust land received in 1929.

<sup>2</sup> In 1935 the Territorial Legislature passed a law which indicated that, "All obligations, rights, privileges, and all real and personal property whatsoever belonging or appertaining to the Board of Trustees of the Alaska Agricultural College and School of Mines are hereby transferred to the Board of Regents of the University of Alaska and the University of Alaska." Thus, the present reference to the Agricultural College and School of Mines in A.S. 14.40.400 (c) seems to be an historical anomaly.

shall be, without excluding other scientific and classical studies, and including military tactics, to teach such branches of learning as are related to agriculture and the mechanical arts, in such manner as the legislatures of the states may respectively prescribe, in order to promote the liberal and practical education of the industrial classes in the several pursuits and professions of life."

Federal legislation enacted in 1929, through which the University of Alaska received the bulk of its trust land, includes the following:

"The college and school provided for in this section shall forever remain under the exclusive control of the said Territory, and no part of the proceeds arising from the sale or disposal of any lands granted herein shall be used for the support of any sectarian or denominational college or school.

"A fund shall be established in the Territorial treasury to carry out the purposes of this section, and whenever any money shall be in any manner derived from any of the land granted same shall be deposited in the Territorial treasury in the fund. The Territorial treasurer shall keep all such money invested in safe interest-bearing securities. . . The income from said fund may and shall be used exclusively for the purposes of such Agricultural College and School of Mines: Provided, That no portion of said income shall be applied, directly or indirectly, under any pretense whatever, to the purchase, erection, preservation, or repair of any building or buildings."

The paragraph cited immediately above, which specifies that "no portion of said income shall be applied directly or indirectly, under any pretense whatsoever, to the purchase, erection, preservation or repair of any building or buildings" was repealed in 1966. Currently, there is no such restriction. The first quoted paragraph above, however, including the point that "no part of the proceeds arising from the sale or disposal of any lands granted herein shall be used for the support of any sectarian or denominational college or school" remains in effect.

## ISSUES

1. To what extent shall income from the University of Alaska's permanent fund reduce general fund appropriations to the university?

The endowment lands were not expected to replace state funding but were provided to permit a margin of support over and above what would otherwise be possible through underlying funding provided by the state. Consequently, while the University of Alaska expects to provide full disclosure to the state with respect to how endowment earnings from the university's trust land are being used, such earnings should not simply result in comparable reductions in general fund appropriations to support the university. That approach already is followed with respect to such university receipts as tuition and indirect cost recovery. The legislative and executive branches of the state retain fiscal control over the university by deciding how much general fund support to make available for the university, considering, among other things, university needs and all of the university's sources of funds, to include endowment earnings.

2. Shall some of the investment earnings on the University of Alaska permanent fund be reserved to "inflation-proof" the fund?

Such a reservation of funds is not necessary. The University of Alaska permanent fund constitutes an "endowment on an endowment." That is, the university is permitted to use essentially, only "the earnings on the earnings" on the trust land. Since those earnings do not lapse but are kept invested until they are expended, the regents may elect only to spend part of such earnings and thus keep the rest invested to cover future needs. Accordingly, even following extremely conservative financial management practices, there is no need to prescribe in advance that only some part of the earnings received may be expended, with the rest being reinvested to augment the endowment principal. That will increase automatically over the years, as it has in the past, with increasing revenue derived from the university's trust lands.

3. On what might endowment earnings from the University of Alaska permanent fund be spent?

The Board of Regents may authorize use of the endowment income however the board determines that such income can best help the university. Legislators have suggested that the

university use income from its permanent fund to cover the cost of land management activities rather than to request general fund support to pay for managing the university's trust land, and that has been done. As mentioned previously, endowment earnings are being used this year also to pay rental charges for computer hardware as well as other rental costs and to pay certain legal expenses. As endowment earnings increase, money may be available to enhance the university's fisheries, agriculture, forestry and other academic programs, and to pay for such things as special instructional equipment, sabbaticals and other faculty development.

4. How are land grant endowments for colleges and universities controlled and expended in other states?

The University of Alaska conducted a survey in the fall of 1982 to answer the above question. Questionnaires were sent to the 72 land grant colleges and universities in the United States and its territories, and 66 of the 72, or 90% of the institutions, responded. Questions asked and the responses are shown in the appendix contained in this briefing packet. In summary, 44% of the institutions manage directly their land grant properties; only 11% of the respondents must deposit land grant income to their respective state general fund; state general support is not offset by land grant income for 56% of the responding institutions; and, for 67% of the responding institutions, their respective governing boards have final approval authority for expenditures of land grant endowment revenue.

RECOMMENDATION--that no change be made in existing procedures or legislation governing the University of Alaska permanent fund at the present time.

## APPENDIX

A survey was made in the fall of 1982 to determine how land grant endowment income for other colleges and universities is controlled and expended.

Below are listed the institutions that responded to the survey. Following that listing are the specific questions asked in the survey and the responses thereto.

Land grant institutions that responded to the survey:

Alabama A & M University	Auburn University
University of Arizona	University of Arkansas, Fayetteville
University of California	University of Arkansas, Pine Bluff
Colorado State University	University of Connecticut
Delaware State College	University of the District of Columbia
University of Florida	Fort Valley State College
University of Georgia	University of Hawaii
University of Idaho	University of Illinois
Purdue University	Iowa State University
Kansas State University	Kentucky State University
University of Kentucky	Louisiana State University
University of Maine	University of Maryland, Eastern Shore
University of Maryland	Massachusetts Institute of Technology
University of Massachusetts	Michigan State University
University of Minnesota	Alcorn State University, Mississippi
Mississippi State University	Lincoln University, Missouri
Montana State University	University of Missouri System
University of Nebraska	University of New Hampshire
New Mexico State University	Rutgers, The State University
Ohio State University	New Mexico State University
Langston University, Okalahoma	Cornell University, New York
Oklahoma State University	North Carolina State University
Pennsylvania State University	North Dakota State University
Oregon State University	Pennsylvania State University
University of Puerto Rico	University of Rhode Island
South Carolina State College	Clemson University, South Carolina
South Dakota State University	Scarritt College, Tennessee
University of Tennessee	Prairie View A&M University, Texas
Texas A&M University	Utah State University
College of the Virgin Islands	University of Vermont & State Agricultural College
Virginia State University	Virginia Polytechnic Institute and State University
Washington State University	University of Wyoming
West Virginia University	
University of Wisconsin	

Questions asked and summaries of the responses:

1. Does your institution derive income from land grant properties?

	<u>Responses</u>	<u>Percent</u>
Yes	36	55
No	29	46
	<u>65</u>	<u>100</u>

Seven schools noted that lands granted had been sold long ago and current income is, in fact, derived from investments of land, sale, revenue or, that a financial grant was made in lieu of a land grant. This may be the case for many of the schools which answered "no" to the first question as well. However, the "no" schools did not answer the remaining questions on the survey. Therefore, the tabulations following reflect only those schools which answered "yes" and completed the survey.

2. What types of activities produce income from your land grant property? (Check all that apply):

<u>Real Estate</u>	<u>Responses</u>	<u>Percent*</u>
Sale of Unimproved Property	14	39
Commercial Leasing	13	36
Industrial Leasing	8	22
Residential Leasing	7	19
Sale of Improved Property	6	17
Other	13	36
<u>Natural Resources Development</u>		
Grazing Land	23	64
Cropland	22	61
Timber	20	56
Oil/Gas	17	47
Hardrock Minerals	9	25
Other	4	11

\*Percent of 36 schools responding

"Other" real estate income above includes nine responses (25%) which noted some type of agricultural activity, and additional comments made suggest that most of this income results from the sale of surplus agricultural research products. Most of these respondents also checked cropland and grazing land. "Other" natural resource development includes right-of-ways, surface leases, water, and coal/geothermal.

3. What is the approximate proportion of land grant property used for:

<u>Education/Research</u>	<u>Income</u>	<u>Responses</u>	<u>Percent</u>
Under 10%	Over 90%	11	31
11-89%	89 - 11%	2	5
Over 90%	Under 10%	13	36
Not answered	Not answered	10	28
		<u>36</u>	<u>100</u>

Interpreting the answers to this question is not straightforward. Remember that six of the respondents presently have endowment income only; land was sold off long ago, or never existed. If their answers are excluded, the responses are:

<u>Education/Research</u>	<u>Income</u>	<u>Responses</u>	<u>Percent</u>
Under 10%	Over 90%	9	31
11-89%	89 - 11%	2	7
Over 90%	Under 10%	12	41
Not answered	Not answered	6	21
		<u>29</u>	<u>100</u>

Almost one quarter of the respondents did not answer this question which must make us hesitate to draw firm conclusions. We can say that land use is fairly evenly divided between education/research and income production for the schools answering the question. More specifically, we see that each school tends to use property for one purpose or the other, but not both. (Only one respondent noted overlapping use wherein subsurface oil and leases coexist with surface agricultural research.)

4. Does your institution manage its land grant property directly?

	<u>Responses</u>	<u>Percent</u>
Yes	16	44
No	15	42
Not answered	5	14
	<u>36</u>	<u>100</u>

If no, how is its land grant property managed?

State land department or commission	11
Educational lands board or commission	3
Governing board	1
	<u>15</u>

The first two titles above are generic phrases meant to indicate the difference between state agencies which are assumed to manage all state lands, and commissions which appear to administer only lands associated with educational institutions.

5. How is the income from land grant property transactions accounted for? (Check all that apply):

Income utilized directly for university operations	20	56
Income deposited to University Endowment or Trust Funds	13	36
Income is deposited to State General Fund	4	11
Other	3	3
Not answered	3	8

"Other" includes depositing revenue in a special state fund with expenditure restrictions: appropriation by legislature, debt service, bond indentures or capital construction expenditures only.

6. Is income derived from land grant property transactions available for expenditure by your institution?

	<u>Response</u>	<u>Percent</u>
Yes	32	89
No	1	3
Not answered	3	8
	<u>36</u>	<u>100</u>

If yes, who is the final approving authority?

	<u>Response</u>	<u>Percent*</u>
President	5	14
Governing Board	26	72
Governor's Office	3	8
Legislature	9	25
Other	4	11

\*Percent of 36 responses.

There was no explanation provided for the lone "no" response. In the second part of the question, some schools checked off several "final" approvals. This appears to be due to the fact that land revenues are handled differently depending upon the origin of the property. For example, revenue from private gifts of land are probably at the disposal of the university while state or federally donated land revenues may require approval from a state agency. Three schools which utilize university endowment/trust funds (question #5) noted here that legislative approval was required before expenditure.

7. If land grant property income is deposited to an endowment or trust fund, how much is available for expenditure? (Check all that apply):

	<u>Responses</u>	<u>Percent*</u>
Principal (Income from real property transactions deposited in fund)	3	8
Interest (Income from <u>investment</u> of principal)	19	53
Other	4	11
Not answered	14	39

\*Percent of 36 responses.

Questions #5 and this one refer to endowment funds. Seven schools noted the use of endowment or trust funds here, but not in question #5. Analysis of narrative answers to these and other questions suggests that these seven schools were differentiating between a university-controlled fund (question #5) and an endowment fund controlled by another state agency. (this question).

8. If available for expenditure, are restrictions placed upon the types of expenditures made from land grant property income?

	<u>Response</u>	<u>Percent</u>
Yes	18	50
No	15	42
Not answered	3	8
	<u>36</u>	<u>100</u>

Expenditure restrictions for the "yes" responses described fall into the following broad categories:

	<u>Responses</u>	<u>Percent</u>
Legislative approval before expenditure	5	27
Agricultural uses	4	22
Capital-related expenditures	3	17
Land grant legislation restrictions	3	17
Bond indentures, debt service	<u>3</u>	<u>17</u>

9. From largest to smallest, rank the primary types of expenditures made from land grant property income:

The following categories are summarizations of answers. Most schools did not rank more than two or three items; seven schools did not answer the question.

<u>Expenditure Type</u>	<u>Responses</u>				
	<u>1st</u>	<u>2nd</u>	<u>3rd</u>	<u>4th</u>	<u>5th</u>
Education/general*	11	2	1	3	0
Agricultural programs	6	3	1	0	0
Capital projects	5	3	4	0	0
Salaries	3	1	0	0	0
Land management, acquisitions	2	1	1	0	0
Facilities maintenance, improvements	2	5	2	0	0
Debt Service	1	0	1	0	1
Non-recurring expenses	0	0	1	0	0
	<u>30</u>	<u>15</u>	<u>10</u>	<u>3</u>	<u>1</u>

\*Teaching, research, not specifically identified as agricultural or salaries. Unfortunately, these raw figures give us no clue as to patterns of expenditures. Let us examine the combinations of expenditure rankings. Considering only the first, second and third ranked items on each questionnaire, there appears to be no discernable pattern for the eight items listed above. If we combine these categories into two larger groupings of expenditures, however, such as "operating" and "other":

- |           |                                 |
|-----------|---------------------------------|
| Operating | - Education/General             |
|           | - Agricultural Programs         |
|           | - Salaries                      |
| <br>      |                                 |
| Other     | - Capital projects              |
|           | - Land management, acquisitions |
|           | - Facilities maintenance        |
|           | - Debt service                  |
|           | - Non-recurring expenses        |

a pattern does emerge. Each school's response was tallied in one of these two groups only if all of the top three items listed fell within that group. A response which included expenses in both groups was tallied as "Combined":

<u>Expenditure type</u>	<u>Response</u>	<u>Percent</u>
Operating	16	55
Other	8	28
Combined	5	17
	<u>29</u>	<u>100</u>

In other words, 55% of the responding schools spend the income from land grant or other property on general operating items and 28% use this revenue for capital projects, land

acquisitions, debt service and so on. Of the 17% which divide expenditures between the two groups, general operating expenses were ranked first in four of the five responses.

10. Is land grant property income used to offset or decrease state general fund support?

	<u>Response</u>	<u>Percent</u>
Yes	14	39
No	20	56
Not answered	2	5
	<u>36</u>	<u>100</u>

Ten schools noted that land grant revenue directly offsets state appropriations in the current year or is considered a projected revenue source in next year's budget requests. One school uses the income to fund capital expenses not allowed from legislative appropriations. Another noted that while not directly offsetting general funds, the income doubtless has an effect on appropriations. At Louisiana State University, land grant revenues are not included in the state's budget formula and therefore are an addition to not reduce the formula budget appropriations. The non-formula centers receive appropriations equal to the authorized level of expenditures less land grant and other revenues. Finally, one school noted that such revenue does not reduce the levels of state appropriations but there are "rumbles in some quarters" that it should.

11. Are specialized financial or activity reports required for land grant property transactions beyond the institution's annual financial statements?

	<u>Response</u>	<u>Percent</u>
Yes	8	22
No	25	70
Not answered	3	8
	<u>36</u>	<u>100</u>

Required reports range from one line in the annual financial reports to extensive parcel-by-parcel descriptions. Special reports are prepared only as requested at several institutions.

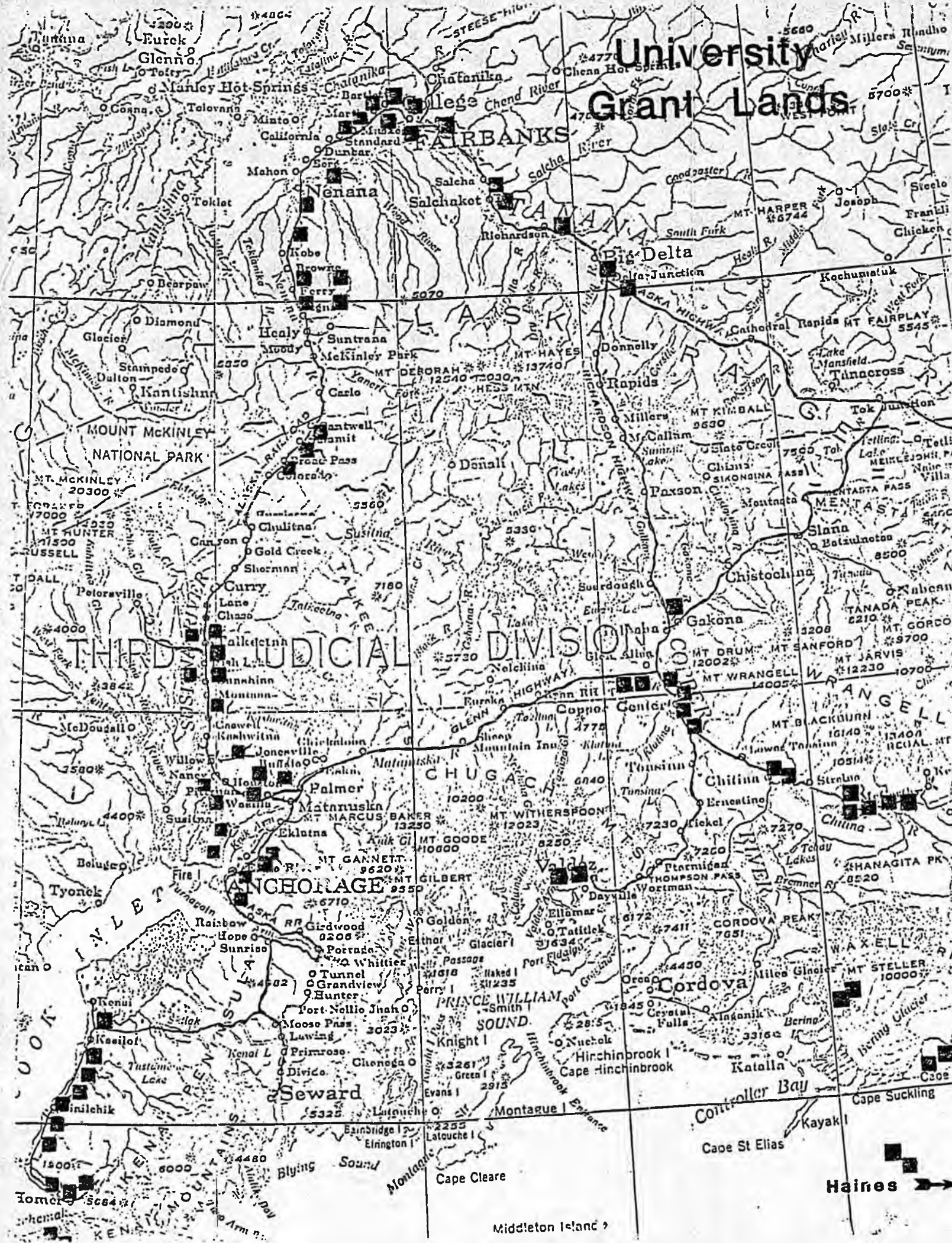
Two schools noted that they are required to submit a report of Land Grant or Supplementary Morrill Funds to the Department of Health, Education and Welfare. In fact, this report is required of any school granted land under the 1862 Land Grant Fund, or funds from land grants made in lieu of the 1862 grant, and Supplementary Morrill Funds.

B. If yes, to whom are special reports made?

Responses

Governing Board	4
Governor's Office	2
Legislature	1
Bond holders	$\frac{1}{8}$

# University Grant Lands

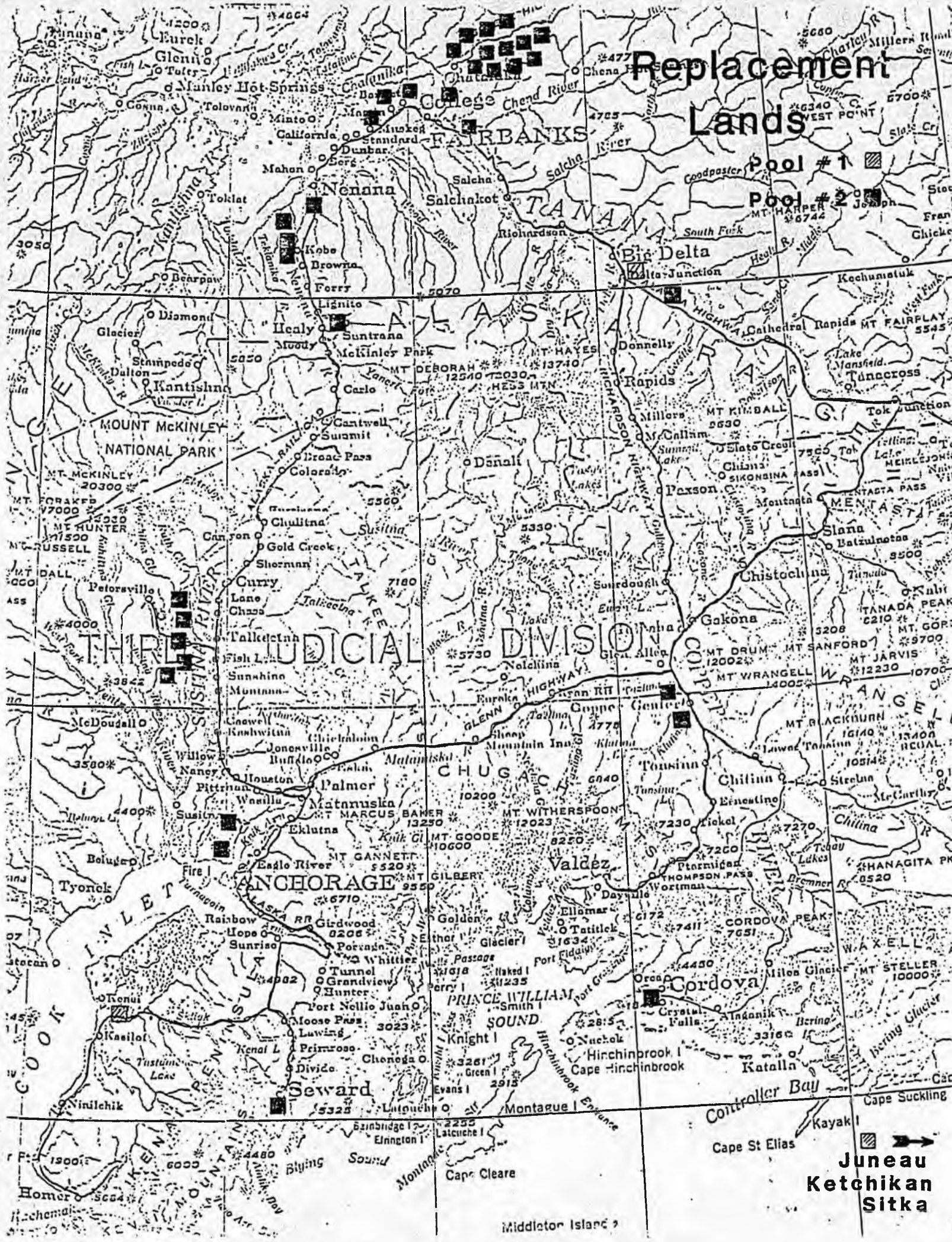


Haines

Middleton Island



# Replacement Lands



Juneau  
Ketchikan  
Sitka



# Alaska State Legislature

## Senate

### Resources Committee

Official Business

Betty Fahrenkamp  
Chairman

Pouch V  
State Capitol  
Juneau, Alaska 99811

January 31, 1983  
3:10 p.m.

Senate Finance Room

With the House Resources Committee

#### MEMBERS PRESENT

##### SENATE

Senator Fahrenkamp, Chairman  
Senator Ziegler, Vice Chairman  
Senator Eliason  
Senator Paul Fischer  
Senator Vic Fischer  
Senator Mulcahy  
Senator Sturgulewski

##### HOUSE

Representative Ringstad, Chair.  
Representative Shultz, Co-chair  
Representative Cowdery  
Representative Larson  
Representative Uehling  
Representative Vaska

Hearing: SB 40 and SB 41 ... University of Ak. Lands Settlement

Esther Wunnicke, Commissioner, Department of Natural Resources gave background information on the University of Alaska Lands Agreement between the University and the State of Alaska.

Merry Tuten, Director of Lands, University of Alaska explained the need and land selection rationale for Senate Bill 41. The bill provides for the transfer of the management of the University of Alaska trust land from DNR to the Board of Regents of the University and the selection of State lands by the University to settle a lawsuit.

Ms. Tuten described the process by which the University undertook to select 45,000 acres of state land. Two pools were established under the settlement agreement. Pool 1 is state lands which the University has been using. There are roughly 400 acres worth 1.6 million dollars in Pool 1. Pool 2 started with 150,000 acres of state lands which the state identified and put into the pool for the University to select. The University and the State had these lands appraised to determine highest and best use and the current fair market value, and then went through a process of putting the 150,000 acres in priority order. The three major value categories are: (1) education, (2) natural resources and (3) ability to produce income from other than natural resources.

Once in priority order, the University returned to the settlement agreement to determine total compensation and found that damages came to 26 million dollars. Roughly 4.2 million dollars in the settlement are for damages not compensated by lands; i.e. damages as a result of uncollected revenues on the part of the State. The University of Alaska went back to the replacement pool in priority order and identified 22 million dollars worth of damages. The University has identified 10 parcels

of land which will be developed in the next two years. Areas of development include land development, the sale of gravel and other materials, continued participation in State oil and gas lease sales, and an in-depth look at mineral resources.

Senator Sturgulewski moved and asked unanimous consent for amendments No. 1, 2, 3, 4, and 5. There were no objections.

Amendments number 1 - 3 were proposed by the University to clarify that rules be adopted to provide for prudent trust management of the lands and adequate notice of land actions, that University lands are not to be treated as state public domain lands, and that the lands are not subject to adverse possession. Senator Kerttula proposed an amendment which would clarify that the bill would not adversely affect an on-going court suit involving the State of Alaska. Senator Sturgulewski proposed an amendment to one of the University's amendments clarifying that management of the lands would be for the financial benefit of the University and another amendment requiring a report to the Legislature on management plans for the lands involved.

Senator Sturgulewski moved and asked unanimous consent that SB 41 be moved from committee with individual recommendation. There were no objections.

S.B. 40 is an appropriation bill which is divided into two parts: (1) The appropriation of 4.2 million dollars to the University of Alaska permanent fund will be held in trust and invested by the Department of Revenue. The University of Alaska Board of Regents may expend only the interest earnings. \$148,000 is appropriated from the unexpended funds of the University. (2) Of the \$148,000 appropriated to the Department of Law which was the amount assigned to implement the settlement agreement, \$69,000 will go to the University of Alaska and \$79,000 to DNR to hire qualified people. There will be only one massive title transfer. The University will quitclaim deed certain interests to the State and the State will quitclaim deed certain lands to the University. This is thoroughly reviewed by DNR and the University so that there is no infringement upon any third party interests.

Senator Sturgulewski moved and asked unanimous consent that SB 40 be moved from committee with individual recommendation. There were no objections.

Meeting adjourned at 3:40 p.m.