

ALASKA LEGISLATURE

1556

HOUSE and SENATE FINANCE COMMITTEE FILES, 1995-1996

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. SB 250

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

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

COMPONENT SERIAL NO.

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

CAPITAL						
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REVENUE FD SOURCE						
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FUNDING: (Thousands of Dollars)

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

POSITIONS:						
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

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

Prepared by: _____
Division: Statewide Budget Office

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

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

Date: 2/12/96

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

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

Expenditures/Revenues:

(Thousands of Dollars)

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

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE

(Thousands of Dollars)

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

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

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

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

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FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. SB250

Revision Date: _____ Dept. Affected: Fish and Game
 Title: Increase Land Grant to University of Alaska BRU: Habitat and Restoration
 Component: Habitat Protection
 Sponsor: Senator Frank
 Requester: Senate Finance COMPONENT SERIAL NO. 2100

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

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

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

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

Prepared by: Janet Kowalski
 Division: Habitat and Restoration
 Approved by Commissioner: [Signature]
 Agency: [Signature]

Phone: 267-2334
 Date: 2/13/96
 Date: 2-14-96

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A FAX

Alaska State Legislature

Date: 2-15-96

To: Legal Services - Attn. Peggy

Fax #: 2029 Phone #: 2450

From: Kathy - Senate Finance

Phone #: 2618

Re: CS SB 250 (Fin). Please
incorporate the attached amendment
within the original bill to produce
a Senate Finance version.

Following this page, please find 1 pages(s). If this does not reach you in full, please inform us ASAP.

*Deliver to Rm. 520
Capitol Bldg.*



THANK YOU

2-15-96
Sen. Frank
Moved
Adopted

SENATE FINANCE
COMMITTEE
Amendment Number: #1
Bill Number: SB 250
Sponsor: _____ Date: 2-15-96
Logged In By: _____

AMENDMENTS

SB 250

UNIVERSITY LAND GRANT

Page 7, Line 7

Insert following "....division of land."

Such list shall not include valid existing selections of a municipality to which it is entitled under the Municipal Entitlement Act. Further, in the event there is a disagreement between the University and the Department of Natural Resources over the lands to be placed on such list, the matter shall be submitted to the Governor who shall make the final decision. The Governor, upon the recommendation of.....

Page 7, Line 22

Replace "patent" with quitclaim deed
quitclaim

Page 7, Line 30

Insert following "(2)" after approval by the legislature, and

Page 7, Line 30

Replace ~~patent~~ with quitclaim deed
quitclaim

Page 8, Line 3, Line 6

Replace ~~patent~~ with quitclaim deed

Page 8, Line 13

Following "The state", replace ~~shall~~ with may

9
Page 13, Line 13, Line 18, Line 22, Line 27, Line 28, Line 29

Replace ~~patent~~ with quitclaim deed
quitclaim

Page 10, Line 1

Replace ~~2011~~ with 2016

Page 10, Line 15

Following "land.", add conveyed under AS 14.40.365.

Page 10, Line 17

Replace ~~this section~~ with conveyed under AS 14.40.365

p. 6, line 30
Amend # 2
9-LS1394\K
RP Change
500,000
+
350,000
~~Failed~~

CS SENATE BILL NO. 250 (Fin)

2-4
RP
DD (BS Absent)

IN THE LEGISLATURE OF THE STATE OF ALASKA
NINETEENTH LEGISLATURE - SECOND SESSION

BY SENATORS FRANK, Rieger, Kelly, Miller, Sharp

Introduced: 2/2/96
Referred: Finance

A BILL

FOR AN ACT ENTITLED

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

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

8 * Section 1. FINDINGS AND PURPOSE. The legislature finds that

9 (1) as the beneficiary under the provisions of the Acts of August 30, 1890, and
10 March 4, 1907, designating the Alaska Agricultural College and School of Mines as
11 beneficiary, and of March 4, 1915, 38 Stat. 1214, transferring certain land for its location and
12 support, the University of Alaska is a land grant university;

13 (2) under the Acts of March 4, 1915, 38 Stat. 1214, and January 21, 1929, 45

1 Stat. 1091, the Congress of the United States granted to the Territory of Alaska certain federal
2 land to be held in trust for the benefit of the predecessor of the University of Alaska;

3 (3) the Territory was unable to receive most of the land conveyed by the Act
4 of March 4, 1915, before repeal of that Act by Sec. 6(k) of the Alaska Statehood Act (P.L.
5 85-508, 72 Stat. 339);

6 (4) the Congress of the United States granted the State of Alaska the right to
7 select 102,500,000 acres of federal land under Sec. 6(b) of the Alaska Statehood Act;

8 (5) the land selection rights embodied in the Alaska Statehood Act reflect in
9 part congressional recognition that the state would need the land to support its government and
10 programs, and the Congress assumed that the State of Alaska would in turn devote some of
11 the land or the income from it for the use and benefit of the University of Alaska;

12 (6) most land grant colleges in the western United States have obtained a larger
13 land grant from the federal government than the University of Alaska has received;

14 (7) an academically strong and financially secure state university system is a
15 cornerstone to the long-term development of a stable population and to a healthy, diverse
16 economy in the state;

17 (8) it is in the best interests of the state and the University of Alaska that the
18 university take ownership of a significant and substantial portfolio of income producing land
19 in order to provide income for the support of public higher education in the state; and

20 (9) renewable resources should be managed on a sustained yield basis, taking
21 into account the total land grant.

22 * **Sec. 2. LEGISLATIVE INTENT.** It is the intent of the legislature that the University
23 of Alaska encourage the development of in-state value-added industries to the maximum extent
24 feasible when developing land conveyed under AS 14.40.365.

25 * **Sec. 3.** AS 14.40.170(a) is amended to read:

26 (a) The Board of Regents shall

27 (1) appoint the president of the university by a majority vote of the
28 whole board, and the president may attend meetings of the board;

29 (2) fix the compensation of the president of the university, all heads of
30 departments, professors, teachers, instructors, and other officers;

31 (3) confer such appropriate degrees as it may determine and prescribe;

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(4) have the care, control, and management of

(A) all the real and personal property of the university; and

(B) land

(i) conveyed to the Board of Regents by the commissioner of natural resources in the settlement of the claim of the University of Alaska to land granted to the state in accordance with the Act of March 4, 1915 (38 Stat. 1214), as amended, and in accordance with the Act of January 21, 1929 (45 Stat. 1091), as amended; and

(ii) selected by the University of Alaska and conveyed to it by the commissioner of natural resources under AS 14.40.365, except as provided in AS 14.40.368(a)(2);

(5) keep a correct and easily understood record of the minutes of every meeting and all acts done by it in pursuance of its duties;

(6) under procedures to be established by the commissioner of administration, and in accordance with existing procedures for other state agencies, have the care, control, and management of all money of the university and keep a complete record of all money received and disbursed;

(7) adopt reasonable rules for the prudent trust management and the long-term financial benefit to the university of the land of the university;

(8) provide public notice of sales, leases, exchanges, and transfers of the land of the university or of interests in land of the university;

(9) report each year within the first 10 days of the convening of a regular session of the legislature on the expenditures made during the preceding fiscal year from the funds of the University of Alaska that are derived from sales, leases, exchanges, or transfers of the land of the university or of interests in land of the university

(A) that were conveyed to the University of Alaska in settlement of the claim of the University of Alaska to land granted to the state in accordance with the Act of March 4, 1915 (38 Stat. 1214), as amended, and in accordance with the Act of January 21, 1929 (45 Stat. 1091), as amended; and

1 (B) that were selected by and conveyed to the University of
2 Alaska under AS 14.40.365.

3 * Sec. 4. AS 14.40.190 is amended to read:

4 Sec. 14.40.190. REPORT. (a) The Board of Regents shall prepare a written
5 report at the beginning of each first regular session of the legislature of

6 (1) the condition of [THE] university property;

7 (2) [, OF] all receipts and expenditures, including the administration
8 and disposition of appropriated and restricted funds;

9 (3) the management of university trust land under
10 AS 14.40.366(a)(1) and (2); and

11 (4) [, AND OF] the educational and other work performed during the
12 preceding two fiscal years.

13 (b) The board shall notify the legislature that the report is available.

14 * Sec. 5. AS 14.40.280 is amended to read:

15 Sec. 14.40.280. ENDOWMENTS AND DONATIONS. All monetary gifts,
16 bequests, or endowments that are made to the University of Alaska for the purpose of
17 the separate trust fund created under AS 14.40.400 shall be held by the university.

18 The university [TRANSFERRED TO THE DEPARTMENT OF REVENUE. THE
19 DEPARTMENT OF REVENUE] shall manage that money in accordance with
20 AS 14.40.400. Title to and control or possession of land, personal property, and all
21 money [OTHER THAN] that [TRANSFERRED TO THE DEPARTMENT OF
22 REVENUE, WHICH] is devised, bequeathed, or given to the university for the
23 purpose of the endowment trust fund established by AS 14.40.400(a) shall be taken
24 by the university in its corporate capacity acting by and through the regents or an
25 authorized agent, and shall be entered in the perpetual inventory of the university.

26 * Sec. 6. AS 14.40.291 is amended to read:

27 Sec. 14.40.291. LAND OF THE UNIVERSITY OF ALASKA [NOT PUBLIC
28 DOMAIN] LAND SALE CONTRACTS: CONFIDENTIAL INFORMATION. (a)
29 Notwithstanding any other provision of law, university-grant land, state replacement
30 land that becomes university-grant land on conveyance to the university, land selected
31 by and conveyed to the University of Alaska under AS 14.40.365, and any other

1 land owned by the University of Alaska is not and may not be treated as state public
2 domain land.

3 (b) Land conveyed to the University of Alaska under AS 14.40.365 is
4 designated as university trust land.

5 (c) Title to or interest in [TO] land described in (a) of this section may not
6 be acquired by adverse possession, prescription, or in any other manner except by
7 conveyance from the university.

8 (d) The land described in (a) of this section is subject to condemnation for
9 public purpose in accordance with law.

10 * Sec. 7. AS 14.40.291 is amended by adding new subsections to read:

11 (e) If a contract for a sale of land of the university is breached, the president
12 of the university or the president's designee, in addition to other remedies available
13 under the law, may issue a decision to foreclose and terminate the contract at any time
14 31 days after delivering by certified mail a written notice of the breach to the address
15 of record of the purchaser. The purchaser may cure a breach caused by the failure to
16 make payments required by the contract within 30 days after the notice of the breach
17 has been received by the purchaser by payment of the sum in default together with the
18 larger of a fee of \$50 or five percent of the sum in default. If there are material facts
19 in dispute between the university and the purchaser, the purchaser may submit a
20 written request to the president or the president's designee for the review of the facts
21 within 30 days after the notice of the breach has been received.

22 (f) On a determination that there has been a breach of the contract based on
23 the administrative record, the president of the university or the president's designee
24 shall issue a decision foreclosing the interest of the purchaser and terminating the
25 contract. The obligation to make payments under the contract continues through the
26 date of the decision to foreclose.

27 (g) The president of the university or the president's designee shall deliver the
28 decision to foreclose and terminate, either by personal delivery to the purchaser or by
29 certified mail, return receipt requested, to the address of record of the purchaser. If
30 the breach is a failure to make payments required by the contract, the decision must
31 include a notice to the purchaser that, if within 30 days the purchaser pays to the

1 university the full amount of the unpaid contract price, including all accrued interest
2 and any fees assessed under (e) of this section, the university shall issue to the
3 purchaser a deed to the land. If full payment is not made within 30 days or the breach
4 is for other than failure to make payment, the decision forecloses and terminates all
5 legal and equitable rights the purchaser has in the land.

6 (h) Notwithstanding AS 09.25.100 - 09.25.220, on a determination that it is
7 in the best interest of the university or on the request of the person who has provided
8 the information, the president may keep the following confidential:

9 (1) the names of a person applying for the sale, lease, or other disposal
10 of university land or an interest in university land;

11 (2) before the announced time of opening of an offer to purchase, lease,
12 or obtain a disposal of university land, the names of the participants and the terms of
13 their offers;

14 (3) all geological, geophysical, engineering, architectural, sales,
15 appraisal, gross receipts, net receipts, or other financial information relating to
16 university land or an interest in university land considered for or offered for disposal
17 or currently subject to a contract;

18 (4) cost data and financial information submitted by an applicant in
19 support of applications for bonds, leases, or other information in offerings and ongoing
20 operations relating to management of university land;

21 (5) applications for rights-of-way or easements across university land;
22 and

23 (6) requests for information about or applications by public agencies
24 for university land that is being considered for use for a public purpose.

25 * Sec. 8. AS 14.40 is amended by adding a new section to read:

26 Sec. 14.40.365. SELECTION AND CONVEYANCE OF STATE LAND TO
27 THE UNIVERSITY OF ALASKA. (a) For the purposes of providing support to the
28 state's public higher education system and for the purpose of generating responsible
29 and appropriate development of the state's land and resources, the University of Alaska
30 is authorized to receive the conveyance of ^{250,000}500,000 acres of land that, on the effective
31 date of this section, is owned by the state, or has been tentatively approved or selected

*R.P.
Failed
2-4*

1 by the state under the Alaska Statehood Act.

2 (b) For purposes of making the selection and conveyance of state land to the
3 university under (a) of this section, the director of the division of land, Department of
4 Natural Resources, and the director of the University of Alaska's land management
5 office shall compile and maintain and may revise a list of the land to be conveyed to
6 the university under this section. The list shall be maintained at the Anchorage office
7 of the director of the division of land. The director of the division of land and the
8 director of the university's land management office shall periodically jointly submit
9 to the legislature, within 30 days of the beginning of a regular legislative session, a list
10 of land proposed to be conveyed by the state to the University of Alaska under this
11 section. Each list must contain not less than 25,000 acres of land, or the remaining
12 entitlement under (a) of this section, whichever is less. The legislature may by law
13 approve or disapprove the list and must approve or disapprove the list within 60 days
14 of its submission. A list submitted shall be deemed approved for conveyance to the
15 University of Alaska if the legislature neither approves nor disapproves the list during
16 the period of 60 days after the date on which the list was submitted.

17 (c) Notwithstanding any other provision of law, on land selected by but not
18 yet patented to the University of Alaska or for which a document of interim
19 conveyance has not been issued to the University of Alaska under this section,

20 (1) the state is authorized to enter into contracts and grant leases,
21 licenses, claims, prospecting sites, sales, permits, rights-of-way, or easements, and any
22 interim conveyance or patent shall be subject to the contract, lease, license, claim,
23 prospecting site, sale, permit, right-of-way, or easement, except that the authority
24 granted the state by this subsection

25 (A) is the authority that the state otherwise would have had
26 under existing laws and regulations had the land not been selected by the
27 University of Alaska; and

28 (B) may be exercised only if the University of Alaska has
29 concurred before the action is taken by the state;

30 (2) until the land has been conveyed by patent or by a document of
31 interim conveyance, 90 percent of the proceeds derived from contracts, leases, licenses,

1 claims, prospecting sites, sales, permits, rights-of-way, or easements, or from
2 trespasses, originating after the date of selection by the University of Alaska shall be
3 held by the state; upon the issuance of a document of interim conveyance or a patent,
4 the state shall pay to the University of Alaska the proceeds held by the state under this
5 paragraph, and subsequent to the issuance of a document of interim conveyance or a
6 patent, the University of Alaska shall receive all of the proceeds derived from the
7 contracts, leases, licenses, claims, prospecting sites, sales, permits, rights-of-way, or
8 easements, or from trespasses;

9 (3) responsibility for management of contracts, leases, licenses, claims,
10 prospecting sites, sales, permits, rights-of-way, or easements, vests with the University
11 of Alaska upon issuance of a patent or a document of interim conveyance.

12 (d) When land is conveyed to the University of Alaska under this section, it
13 shall be conveyed in fee simple. The state shall convey to the university any tideland
14 or submerged land adjacent to the land conveyed under this section. The University
15 of Alaska takes the land subject to any possessory interest held by another person on
16 the effective date of the conveyance. Except as provided in AS 14.40.368(a)(1), the
17 University of Alaska is entitled to receive the consideration due under that possessory
18 interest for the duration of the possessory interest.

19 (e) In conveying land to the University of Alaska under this section, the
20 commissioner of natural resources shall give public notice under AS 38.05.945(b) and
21 (c) and provide for access under AS 38.05.127, but other provisions of AS 38.05 and
22 AS 38.05 do not apply.

23 (f) Land transferred or conveyed to the University of Alaska under this section

24 (1) is subject to

25 (A) Sec. 6(i) of the Alaska Statehood Act (P.L. 85-508, 72 Stat.
26 339);

27 (B) art. IX of the state constitution;

28 (C) AS 19.10.010;

29 (D) payment to the Alaska permanent fund of the amounts
30 required by AS 37.13.010(a) and (b); and

31 (E) the rights of the state under former 43 U.S.C. 932 (sec. 8,

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Act of July 26, 1866, 14 Stat. 253);

(2) excludes any interest transferred to the state by quit claim deed dated June 30, 1959, under authority of the Alaska Omnibus Act, P.L. 86-70, 73 Stat. 141.

(g) The University of Alaska shall bear all costs of selection, platting, surveying, and, except for a cost specified in (i) of this section, conveyance of the land that it selects under this section and, subject to appropriation, shall reimburse the Department of Natural Resources for the reasonable costs incurred by that department relating to that selection, platting, surveying, and conveyance. Under this subsection,

(1) if the land has been surveyed,

(A) the boundaries of the land conveyed must conform to the public land subdivisions established by the approved survey; and

(B) the commissioner shall issue a patent to the land within one year of receiving a request for the land's conveyance from the university;

(2) if the land is unsurveyed, the commissioner shall

(A) survey the exterior boundaries of the land to be conveyed without interior subdivision; and

(B) issue a patent to the land in terms of the exterior boundary survey within one year of receiving a request for the land's conveyance by the university.

(h) For land due the University of Alaska under this section that is unsurveyed, pending the survey of exterior boundaries and issuance of patent, the commissioner of natural resources shall, within one year of request by the university, prepare and provide to the University of Alaska a document of interim conveyance for the land to be conveyed.

(i) Except as provided in AS 14.40.368(a)(2), management of land conveyed to the University of Alaska by patent or by a document of interim conveyance vests with the University of Alaska from the date of recording of the patent or document of interim conveyance. The state shall pay the cost of recording all patents and documents of interim conveyance.

(j) The University of Alaska may not make a land selection under this section

1 after December 31, 2011.

2 * Sec. 9. AS 14.40 is amended by adding new sections to read:

3 Sec. 14.40.366. MANAGEMENT AND DISPOSITION OF UNIVERSITY
4 TRUST LAND. (a) University trust land selected and conveyed under AS 14.40.365
5 shall be conveyed to the Board of Regents and held by the Board of Regents in trust
6 for the University of Alaska. The University of Alaska

7 (1) shall manage university trust land in accordance with applicable
8 trust management principles;

9 (2) shall manage university trust land under provisions of law
10 applicable to other university land; and

11 (3) may exchange other state land for university trust land under the
12 procedures set out in AS 38.50.

13 (b) The University of Alaska shall establish policies to provide for public
14 notice and comment on proposals for development, exchange, or sale of university trust
15 land. The Board of Regents shall adopt policies that provide that the university shall
16 every second year prepare a plan for management and disposition of university trust
17 land under this section and shall, not less than 60 days before scheduled approval by
18 the Board of Regents of the plan,

19 (1) make copies of the plan available at all legislative information
20 offices and at such other locations as the university may designate;

21 (2) publish a notice in newspapers of general circulation in the state
22 that provides the public with information on the locations where the plan is available
23 for public inspection;

24 (3) give notice to all legislators and to local governments with
25 jurisdiction over the land affected by the plan; and

26 (4) seek public comment on the plan prior to action by the Board of
27 Regents approving the plan.

28 Sec. 14.40.368. MANAGEMENT AND DISPOSITION OF INCOME FROM
29 EXISTING ENCUMBRANCES ON UNIVERSITY TRUST LAND. (a) For the land
30 selected by and conveyed to the University of Alaska under AS 14.40.365 that is, as
31 of the effective date of the conveyance, subject to a lease, license, contract, claim,

1 prospecting site, sale, permit, or right-of-way

2 (1) the state is entitled to receive 50 percent of the income obtained
3 from the lease, license, contract, claim, prospecting site, sale, permit, or right-of-way
4 for the duration of the term of the lease, contract, claim, prospecting site, sale, permit,
5 or right-of-way, and during any renewal of it that is authorized by the lease, license,
6 contract, claim, prospecting site, sale, permit, or right-of-way, or by law;

7 (2) the responsibility for the management of the land vests with the
8 University of Alaska only upon conclusion of the term of the lease, license, contract,
9 claim, prospecting site, sale, permit, or right-of-way, and any renewal of the lease,
10 license, contract, claim, prospecting site, sale, permit, or right-of-way that is authorized
11 by law.

12 (b) If the state and the university mutually agree that the responsibility for the
13 management of land may be transferred to the university at a date earlier than the date
14 described in (a)(2) of this section, then, notwithstanding (a)(1) of this section, the
15 university is entitled to receive all income described in (a)(1) of this section on or after
16 the effective date of the transfer of the management responsibility.

17 Sec. 14.40.369. CUSTOMARY AND TRADITIONAL USES TO BE
18 CONTINUED. (a) When land selected by the University of Alaska under
19 AS 14.40.365 has been conveyed to it, before conveying or disposing of an interest in
20 land to a third party, the University of Alaska shall manage the land in a manner that
21 permits customary and traditional uses of the resources of that land to the maximum
22 extent practicable.

23 (b) The provisions of (a) of this section do not apply to authorize the
24 commercial harvest of timber from the land conveyed to the university.

25 * Sec. 10. AS 14.40 is amended by adding a new section to read:

26 Sec. 14.40.375. TORT IMMUNITY FOR PERSONAL INJURIES, DEATH,
27 OR PROPERTY DAMAGE OCCURRING ON UNIVERSITY LAND. (a)
28 Notwithstanding AS 09.65.200 and except as provided in (b) of this section, the
29 University of Alaska is not liable in tort, except for an affirmative act that constitutes
30 gross negligence or reckless or intentional misconduct, for damages for the injury to
31 or death of a person, or for property damage to the property of a person, who enters

1 onto or remains on land owned by the University of Alaska.

2 (b) The provisions of (a) of this section do not apply to damages for injury to
3 or death of a person, or for property damage to the property of a person, that occurs
4 on land of the University of Alaska that, after receipt of title to the land by the
5 University of Alaska, has been improved and is actively maintained by the University
6 of Alaska.

7 * Sec. 11. AS 14.40.400(a) is amended to read:

8 (a) The University of Alaska [DEPARTMENT OF REVENUE] shall establish
9 a separate endowment trust fund in which all net income derived from the sale or lease
10 of the land granted under the Act of Congress approved January 21, 1929, and the
11 land selected by and conveyed to the University of Alaska under AS 14.40.365 that
12 under AS 14.40.291(b) is designated university trust land, and in which all
13 monetary gifts, bequests, or endowments made to the University of Alaska for the
14 purpose of the fund [,] shall be held in trust.

15 * Sec. 12. AS 14.40.400(b) is amended to read:

16 (b) The president of the University of Alaska [COMMISSIONER OF
17 REVENUE] is the fiduciary of the trust fund and shall account for and invest the fund
18 as set out for the commissioner of revenue in AS 37.14.110(c), 37.14.160, and
19 37.14.170, except that the president of the university [COMMISSIONER] shall report
20 the condition and investment performance of the fund to the Board of Regents and to
21 the legislature.

22 * Sec. 13. AS 14.40.491 is amended to read:

23 Sec. 14.40.491. DEFINITION OF UNIVERSITY RECEIPTS. In
24 AS 14.40.120 - 14.40.491, "university receipts" includes

- 25 (1) student fees, including tuition;
26 (2) receipts from university auxiliary services;
27 (3) recovery of indirect costs of university activities;
28 (4) the net income of the trust fund established in AS 14.40.400 and
29 receipts from sales and rentals of university property;
30 (5) federal receipts;
31 (6) gifts, grants, and contracts; and

1 (7) receipts from sales, rentals, and the provision of services of
2 educational activities.

3 * Sec. 14. AS 29.45.030(a) is amended to read:

4 (a) The following property is exempt from general taxation:

5 (1) municipal property, including property held by a public corporation
6 of a municipality, [OR] state property, or property of the University of Alaska,
7 except that

8 (A) a private leasehold, contract, or other interest in the
9 property is taxable to the extent of the interest;

10 (B) notwithstanding any other provision of law, property
11 acquired by an agency, corporation, or other entity of the state through
12 foreclosure or deed in lieu of foreclosure and retained as an investment of a
13 state entity is taxable; this subparagraph does not apply to federal land granted
14 to the University of Alaska under AS 14.40.380 or 14.40.390, [OR] to other
15 land granted to the university by the state to replace land that had been granted
16 under AS 14.40.380 or 14.40.390, or to land conveyed by the state to the
17 University of Alaska under AS 14.40.365;

18 (C) an ownership interest of a municipality in real property
19 located outside the municipality acquired after December 31, 1990, is taxable
20 by another municipality; however, a borough may not tax an interest in real
21 property located in the borough and owned by a city in that borough;

22 (2) household furniture and personal effects of members of a
23 household;

24 (3) property used exclusively for nonprofit religious, charitable,
25 cemetery, hospital, or educational purposes;

26 (4) property of a nonbusiness organization composed entirely of persons
27 with 90 days or more of active service in the armed forces of the United States whose
28 conditions of service and separation were other than dishonorable, or the property of
29 an auxiliary of that organization;

30 (5) money on deposit;

31 (6) the real property of certain residents of the state to the extent and

1 subject to the conditions provided in (e) of this section;

2 (7) real property or an interest in real property that is exempt from
3 taxation under 43 U.S.C. 1620(d), as amended;

4 (8) property of a political subdivision, agency, corporation, or other
5 entity of the United States to the extent required by federal law; except that a private
6 leasehold, contract, or other interest in the property is taxable to the extent of that
7 interest;

8 (9) natural resources in place including coal, ore bodies, mineral
9 deposits, and other proven and unproven deposits of valuable materials laid down by
10 natural processes, unharvested aquatic plants and animals, and timber.

11 * Sec. 15. AS 36.30.850(b)(15) is amended to read:

12 (15) a contract that is a delegation, in whole or in part, of investment
13 powers held by the commissioner of revenue under [AS 14.40.400,] AS 14.42.200,
14 14.42.210, AS 18.56.095, AS 37.10.070, 37.10.071, or AS 37.14;

15 * Sec. 16. AS 14.40.400(e) is repealed.

16 * Sec. 17. UNIVERSITY OF ALASKA ENDOWMENT TRUST FUND: TRANSITION.

17 A contract, right, liability, or obligation in effect on the effective date of this Act remains in
18 effect notwithstanding the amendments to AS 14.40.280 or 14.40.400 made in secs. 5, 11,
19 12, and 16 of this Act. Assets and liabilities of the University of Alaska endowment trust
20 fund held by the Department of Revenue on the effective date of this Act shall be transferred
21 by the Department of Revenue to the University of Alaska to implement this Act.

22 * Sec. 18. APPLICABILITY OF LAND SALE CONTRACT REMEDY PROVISIONS.

23 AS 14.40.291(e) - (g), added by sec. 7 of this Act, apply to land sale contracts entered into
24 by the University of Alaska on or after the effective date of this Act.

2/15/96

OK by

9-LS1394WM

Allie for
Sen. Frank.
(per Wendy
Redman)

CS FOR SENATE BILL NO. 250(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATORS FRANK, Rieger, Kelly, Miller, Sharp

A BILL

FOR AN ACT ENTITLED

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

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

8 * Section 1. FINDINGS AND PURPOSE. The legislature finds that

9 (1) as the beneficiary under the provisions of the Acts of August 30, 1890, and
10 March 4, 1907, designating the Alaska Agricultural College and School of Mines as
11 beneficiary, and of March 4, 1915, 38 Stat. 1214, transferring certain land for its location and
12 support, the University of Alaska is a land grant university;

13 (2) under the Acts of March 4, 1915, 38 Stat. 1214, and January 21, 1929, 45

1 Stat. 1091, the Congress of the United States granted to the Territory of Alaska certain federal
2 land to be held in trust for the benefit of the predecessor of the University of Alaska;

3 (3) the Territory was unable to receive most of the land conveyed by the Act
4 of March 4, 1915, before repeal of that Act by Sec. 6(k) of the Alaska Statehood Act (P.L.
5 85-508, 72 Stat. 339);

6 (4) the Congress of the United States granted the State of Alaska the right to
7 select 102,500,000 acres of federal land under Sec. 6(b) of the Alaska Statehood Act;

8 (5) the land selection rights embodied in the Alaska Statehood Act reflect in
9 part congressional recognition that the state would need the land to support its government and
10 programs, and the Congress assumed that the State of Alaska would in turn devote some of
11 the land or the income from it for the use and benefit of the University of Alaska;

12 (6) most land grant colleges in the western United States have obtained a larger
13 land grant from the federal government than the University of Alaska has received;

14 (7) an academically strong and financially secure state university system is a
15 cornerstone to the long-term development of a stable population and to a healthy, diverse
16 economy in the state;

17 (8) it is in the best interests of the state and the University of Alaska that the
18 university take ownership of a significant and substantial portfolio of income producing land
19 in order to provide income for the support of public higher education in the state; and

20 (9) renewable resources should be managed on a sustained yield basis, taking
21 into account the total land grant.

22 * Sec. 2. LEGISLATIVE INTENT. It is the intent of the legislature that the University
23 of Alaska encourage the development of in-state value-added industries to the maximum extent
24 feasible when developing land conveyed under AS 14.40.365.

25 * Sec. 3. AS 14.40.170(a) is amended to read:

26 (a) The Board of Regents shall

27 (1) appoint the president of the university by a majority vote of the
28 whole board, and the president may attend meetings of the board;

29 (2) fix the compensation of the president of the university, all heads of
30 departments, professors, teachers, instructors, and other officers;

31 (3) confer such appropriate degrees as it may determine and prescribe;

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(4) have the care, control, and management of

(A) all the real and personal property of the university; and

(B) land

(i) conveyed to the Board of Regents by the commissioner of natural resources in the settlement of the claim of the University of Alaska to land granted to the state in accordance with the Act of March 4, 1915 (38 Stat. 1214), as amended, and in accordance with the Act of January 21, 1929 (45 Stat. 1091), as amended; and

(ii) selected by the University of Alaska and conveyed to it by the commissioner of natural resources under AS 14.40.365, except as provided in AS 14.40.368(a)(2);

(5) keep a correct and easily understood record of the minutes of every meeting and all acts done by it in pursuance of its duties;

(6) under procedures to be established by the commissioner of administration, and in accordance with existing procedures for other state agencies, have the care, control, and management of all money of the university and keep a complete record of all money received and disbursed;

(7) adopt reasonable rules for the prudent trust management and the long-term financial benefit to the university of the land of the university;

(8) provide public notice of sales, leases, exchanges, and transfers of the land of the university or of interests in land of the university;

(9) report each year within the first 10 days of the convening of a regular session of the legislature on the expenditures made during the preceding fiscal year from the funds of the University of Alaska that are derived from sales, leases, exchanges, or transfers of the land of the university or of interests in land of the university

(A) that were conveyed to the University of Alaska in settlement of the claim of the University of Alaska to land granted to the state in accordance with the Act of March 4, 1915 (38 Stat. 1214), as amended, and in accordance with the Act of January 21, 1929 (45 Stat. 1091), as amended; and

1 (B) that were selected by and conveyed to the University of
2 Alaska under AS 14.40.365.

3 * Sec. 4. AS 14.40.190 is amended to read:

4 Sec. 14.40.190. REPORT. (a) The Board of Regents shall prepare a written
5 report at the beginning of each first regular session of the legislature of

6 (1) the condition of [THE] university property;

7 (2) [, OF] all receipts and expenditures, including the administration
8 and disposition of appropriated and restricted funds;

9 (3) the management of university trust land under
10 AS 14.40.366(a)(1) and (2): and

11 (4) [, AND OF] the educational and other work performed during the
12 preceding two fiscal years.

13 (b) The board shall notify the legislature that the report is available.

14 * Sec. 5. AS 14.40.280 is amended to read:

15 Sec. 14.40.280. ENDOWMENTS AND DONATIONS. All monetary gifts,
16 bequests, or endowments that are made to the University of Alaska for the purpose of
17 the separate trust fund created under AS 14.40.400 shall be held by the university.

18 The university [TRANSFERRED TO THE DEPARTMENT OF REVENUE. THE
19 DEPARTMENT OF REVENUE] shall manage that money in accordance with
20 AS 14.40.400. Title to and control or possession of land, personal property, and all
21 money [OTHER THAN] that [TRANSFERRED TO THE DEPARTMENT OF
22 REVENUE, WHICH] is devised, bequeathed, or given to the university for the
23 purpose of the endowment trust fund established by AS 14.40.400(a) shall be taken
24 by the university in its corporate capacity acting by and through the regents or an
25 authorized agent, and shall be entered in the perpetual inventory of the university.

26 * Sec. 6. AS 14.40.291 is amended to read:

27 Sec. 14.40.291. LAND OF THE UNIVERSITY OF ALASKA [NOT PUBLIC
28 DOMAIN] LAND SALE CONTRACTS: CONFIDENTIAL INFORMATION. (a)
29 Notwithstanding any other provision of law, university-grant land, state replacement
30 land that becomes university-grant land on conveyance to the university, land selected
31 by and conveyed to the University of Alaska under AS 14.40.365, and any other

1 land owned by the University of Alaska is not and may not be treated as state public
2 domain land.

3 (b) Land conveyed to the University of Alaska under AS 14.40.365 is
4 designated as university trust land.

5 (c) Title to or interest in [TO] land described in (a) of this section may not
6 be acquired by adverse possession, prescription, or in any other manner except by
7 conveyance from the university.

8 (d) The land described in (a) of this section is subject to condemnation for
9 public purpose in accordance with law.

10 * Sec. 7. AS 14.40.291 is amended by adding new subsections to read:

11 (e) If a contract for a sale of land of the university is breached, the president
12 of the university or the president's designee, in addition to other remedies available
13 under the law, may issue a decision to foreclose and terminate the contract at any time
14 31 days after delivering by certified mail a written notice of the breach to the address
15 of record of the purchaser. The purchaser may cure a breach caused by the failure to
16 make payments required by the contract within 30 days after the notice of the breach
17 has been received by the purchaser by payment of the sum in default together with the
18 larger of a fee of \$50 or five percent of the sum in default. If there are material facts
19 in dispute between the university and the purchaser, the purchaser may submit a
20 written request to the president or the president's designee for the review of the facts
21 within 30 days after the notice of the breach has been received.

22 (f) On a determination that there has been a breach of the contract based on
23 the administrative record, the president of the university or the president's designee
24 shall issue a decision foreclosing the interest of the purchaser and terminating the
25 contract. The obligation to make payments under the contract continues through the
26 date of the decision to foreclose.

27 (g) The president of the university or the president's designee shall deliver the
28 decision to foreclose and terminate, either by personal delivery to the purchaser or by
29 certified mail, return receipt requested, to the address of record of the purchaser. If
30 the breach is a failure to make payments required by the contract, the decision must
31 include a notice to the purchaser that, if within 30 days the purchaser pays to the

1 university the full amount of the unpaid contract price, including all accrued interest
2 and any fees assessed under (e) of this section, the university shall issue to the
3 purchaser a deed to the land. If full payment is not made within 30 days or the breach
4 is for other than failure to make payment, the decision forecloses and terminates all
5 legal and equitable rights the purchaser has in the land.

6 (h) Notwithstanding AS 09.25.100 - 09.25.220, on a determination that it is
7 in the best interest of the university or on the request of the person who has provided
8 the information, the president may keep the following confidential:

9 (1) the names of a person applying for the sale, lease, or other disposal
10 of university land or an interest in university land;

11 (2) before the announced time of opening of an offer to purchase, lease,
12 or obtain a disposal of university land, the names of the participants and the terms of
13 their offers;

14 (3) all geological, geophysical, engineering, architectural, sales,
15 appraisal, gross receipts, net receipts, or other financial information relating to
16 university land or an interest in university land considered for or offered for disposal
17 or currently subject to a contract;

18 (4) cost data and financial information submitted by an applicant in
19 support of applications for bonds, leases, or other information in offerings and ongoing
20 operations relating to management of university land;

21 (5) applications for rights-of-way or easements across university land;
22 and

23 (6) requests for information about or applications by public agencies
24 for university land that is being considered for use for a public purpose.

25 * Sec. 8. AS 14.40 is amended by adding a new section to read:

26 Sec. 14.40.365. SELECTION AND CONVEYANCE OF STATE LAND TO
27 THE UNIVERSITY OF ALASKA. (a) For the purposes of providing support to the
28 state's public higher education system and for the purpose of generating responsible
29 and appropriate development of the state's land and resources, the University of Alaska
30 is authorized to receive the conveyance of 500,000 acres of land that, on the effective
31 date of this section, is owned by the state, or has been tentatively approved or selected

1 by the state under the Alaska Statehood Act.

2 (b) For purposes of making the selection and conveyance of state land to the
3 university under (a) of this section, the director of the division of land, Department of
4 Natural Resources, and the director of the University of Alaska's land management
5 office shall compile and maintain and may revise a list of the land to be conveyed to
6 the university under this section. The list shall be maintained at the Anchorage office
7 of the director of the division of land ^{shall} (The list may not include the valid existing
8 selections of a municipality to which the municipality is entitled under AS 29.65.010 -
9 29.65.140. If there is a disagreement between the university and the Department of
10 Natural Resources about the land to be placed on the list, the disagreement must be
11 submitted to the governor, who shall make the final decision. The governor, upon the
12 recommendation of ^{over}) the director of the division of land and the director of the
13 university's land management office, shall periodically submit to the legislature, within
14 30 days of the beginning of a regular legislative session, a list of land proposed to be
15 conveyed by the state to the University of Alaska under this section. Each list must
16 contain not less than 25,000 acres of land, or the remaining entitlement under (a) of
17 this section, whichever is less. The legislature may by law approve or disapprove the
18 list and must approve or disapprove the list within 60 days of its submission. A list
19 submitted shall be deemed approved for conveyance to the University of Alaska if the
20 legislature neither approves nor disapproves the list during the period of 60 days after
21 the date on which the list was submitted.

22 (c) Notwithstanding any other provision of law, on land selected by but not
23 yet conveyed by quitclaim deed to the University of Alaska or for which a document
24 of interim conveyance has not been issued to the University of Alaska under this
25 section,

26 (1) the state is authorized to enter into contracts and grant leases,
27 licenses, claims, prospecting sites, sales, permits, rights-of-way, or easements, and any
28 interim conveyance or quitclaim deed shall be subject to the contract, lease, license,
29 claim, prospecting site, sale, permit, right-of-way, or easement, except that the
30 authority granted the state by this subsection

31 (A) is the authority that the state otherwise would have had

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1 under existing laws and regulations had the land not been selected by the
2 University of Alaska; and

3 (B) may be exercised only if the University of Alaska has
4 concurred before the action is taken by the state;

5 (2) (after approval of a list by the legislature or, when approval of the
6 list is based on the legislature's inaction under (b) of this section, after the 60th day
7 following the date on which the list was submitted to the legislature) and until the land
8 has been conveyed by quitclaim deed or by a document of interim conveyance, 90
9 percent of the proceeds derived from contracts, leases, licenses, claims, prospecting
10 sites, sales, permits, rights-of-way, or easements, or from trespasses, originating after
11 the date of selection by the University of Alaska shall be held by the state; upon the
12 issuance of a document of interim conveyance or a quitclaim deed, the state shall pay
13 to the University of Alaska the proceeds held by the state under this paragraph, and
14 subsequent to the issuance of a document of interim conveyance or a quitclaim deed,
15 the University of Alaska shall receive all of the proceeds derived from the contracts,
16 leases, licenses, claims, prospecting sites, sales, permits, rights-of-way, or easements,
17 or from trespasses;

18 (3) responsibility for management of contracts, leases, licenses, claims,
19 prospecting sites, sales, permits, rights-of-way, or easements, vests with the University
20 of Alaska upon issuance of a quitclaim deed or a document of interim conveyance.

21 (d) When land is conveyed to the University of Alaska under this section, it
22 shall be conveyed in fee simple. The state may convey to the university any tideland
23 or submerged land adjacent to the land conveyed under this section. The University
24 of Alaska takes the land subject to any possessory interest held by another person on
25 the effective date of the conveyance. Except as provided in AS 14.40.368(a)(1), the
26 University of Alaska is entitled to receive the consideration due under that possessory
27 interest for the duration of the possessory interest.

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

*New
language
included
by drafter*

1 (f) Land transferred or conveyed to the University of Alaska under this section

2 (1) is subject to

3 (A) Sec. 6(i) of the Alaska Statehood Act (P.L. 85-508, 72 Stat.
4 339);

5 (B) art. IX of the state constitution;

6 (C) AS 19.10.010;

7 (D) payment to the Alaska permanent fund of the amounts
8 required by AS 37.13.010(a) and (b); and

9 (E) the rights of the state under former 43 U.S.C. 932 (sec. 8,
10 Act of July 26, 1866, 14 Stat. 253);

11 (2) excludes any interest transferred to the state by quitclaim deed dated
12 June 30, 1959, under authority of the Alaska Omnibus Act, P.L. 86-70, 73 Stat. 141.

13 (g) The University of Alaska shall bear all costs of selection, platting,
14 surveying, and, except for a cost specified in (i) of this section, conveyance of the land
15 that it selects under this section and, subject to appropriation, shall reimburse the
16 Department of Natural Resources for the reasonable costs incurred by that department
17 relating to that selection, platting, surveying, and conveyance. Under this subsection,

18 (1) if the land has been surveyed,

19 (A) the boundaries of the land conveyed must conform to the
20 public land subdivisions established by the approved survey; and

21 (B) the commissioner shall issue a quitclaim deed to the land
22 within one year of receiving a request for the land's conveyance from the
23 university;

24 (2) if the land is unsurveyed, the commissioner shall

25 (A) survey the exterior boundaries of the land to be conveyed
26 without interior subdivision; and

27 (B) issue a quitclaim deed to the land in terms of the exterior
28 boundary survey within one year of receiving a request for the land's
29 conveyance by the university.

30 (h) For land due the University of Alaska under this section that is unsurveyed,
31 pending the survey of exterior boundaries and issuance of a quitclaim deed, the

1 commissioner of natural resources shall, within one year of request by the university,
2 prepare and provide to the University of Alaska a document of interim conveyance for
3 the land to be conveyed.

4 (i) Except as provided in AS 14.40.368(a)(2), management of land conveyed
5 to the University of Alaska by a quitclaim deed or by a document of interim
6 conveyance vests with the University of Alaska from the date of recording of the
7 quitclaim deed or document of interim conveyance. The state shall pay the cost of
8 recording all quitclaim deeds and documents of interim conveyance.

9 (j) The University of Alaska may not make a land selection under this section
10 after December 31, 2016.

11 * Sec. 9. AS 14.40 is amended by adding new sections to read:

12 Sec. 14.40.366. MANAGEMENT AND DISPOSITION OF UNIVERSITY
13 TRUST LAND. (a) University trust land selected and conveyed under AS 14.40.365
14 shall be conveyed to the Board of Regents and held by the Board of Regents in trust
15 for the University of Alaska. The University of Alaska

16 (1) shall manage university trust land in accordance with applicable
17 trust management principles;

18 (2) shall manage university trust land under provisions of law
19 applicable to other university land; and

20 (3) may exchange other state land for university trust land under the
21 procedures set out in AS 38.50.

22 (b) The University of Alaska shall establish policies to provide for public
23 notice and comment on proposals for development, exchange, or sale of university trust
24 land conveyed under AS 14.40.365. The Board of Regents shall adopt policies that
25 provide that the university shall every second year prepare a plan for management and
26 disposition of university trust land conveyed under AS 14.40.365 and shall, not less
27 than 60 days before scheduled approval by the Board of Regents of the plan,

28 (1) make copies of the plan available at all legislative information
29 offices and at such other locations as the university may designate;

30 (2) publish a notice in newspapers of general circulation in the state
31 that provides the public with information on the locations where the plan is available

1 for public inspection;

2 (3) give notice to all legislators and to local governments with
3 jurisdiction over the land affected by the plan; and

4 (4) seek public comment on the plan prior to action by the Board of
5 Regents approving the plan.

6 Sec. 14.40.368. MANAGEMENT AND DISPOSITION OF INCOME FROM
7 EXISTING ENCUMBRANCES ON UNIVERSITY TRUST LAND. (a) For the land
8 selected by and conveyed to the University of Alaska under AS 14.40.365 that is, as
9 of the effective date of the conveyance, subject to a lease, license, contract, claim,
10 prospecting site, sale, permit, or right-of-way

11 (1) the state is entitled to receive 50 percent of the income obtained
12 from the lease, license, contract, claim, prospecting site, sale, permit, or right-of-way
13 for the duration of the term of the lease, contract, claim, prospecting site, sale, permit,
14 or right-of-way, and during any renewal of it that is authorized by the lease, license,
15 contract, claim, prospecting site, sale, permit, or right-of-way, or by law;

16 (2) the responsibility for the management of the land vests with the
17 University of Alaska only upon conclusion of the term of the lease, license, contract,
18 claim, prospecting site, sale, permit, or right-of-way, and any renewal of the lease,
19 license, contract, claim, prospecting site, sale, permit, or right-of-way that is authorized
20 by law.

21 (b) If the state and the university mutually agree that the responsibility for the
22 management of land may be transferred to the university at a date earlier than the date
23 described in (a)(2) of this section, then, notwithstanding (a)(1) of this section, the
24 university is entitled to receive all income described in (a)(1) of this section on or after
25 the effective date of the transfer of the management responsibility.

26 Sec. 14.40.369. CUSTOMARY AND TRADITIONAL USES TO BE
27 CONTINUED. (a) When land selected by the University of Alaska under
28 AS 14.40.365 has been conveyed to it, before conveying or disposing of an interest in
29 land to a third party, the University of Alaska shall manage the land in a manner that
30 permits customary and traditional uses of the resources of that land to the maximum
31 extent practicable.

1 (b) The provisions of (a) of this section do not apply to authorize the
2 commercial harvest of timber from the land conveyed to the university.

3 * Sec. 10. AS 14.40 is amended by adding a new section to read:

4 Sec. 14.40.375. TORT IMMUNITY FOR PERSONAL INJURIES, DEATH,
5 OR PROPERTY DAMAGE OCCURRING ON UNIVERSITY LAND. (a)
6 Notwithstanding AS 09.65.200 and except as provided in (b) of this section, the
7 University of Alaska is not liable in tort, except for an affirmative act that constitutes
8 gross negligence or reckless or intentional misconduct, for damages for the injury to
9 or death of a person, or for property damage to the property of a person, who enters
10 onto or remains on land owned by the University of Alaska.

11 (b) The provisions of (a) of this section do not apply to damages for injury to
12 or death of a person, or for property damage to the property of a person, that occurs
13 on land of the University of Alaska that, after receipt of title to the land by the
14 University of Alaska, has been improved and is actively maintained by the University
15 of Alaska.

16 * Sec. 11. AS 14.40.400(a) is amended to read:

17 (a) The University of Alaska [DEPARTMENT OF REVENUE] shall establish
18 a separate endowment trust fund in which all net income derived from the sale or lease
19 of the land granted under the Act of Congress approved January 21, 1929, and the
20 land selected by and conveyed to the University of Alaska under AS 14.40.365 that
21 under AS 14.40.291(b) is designated university trust land, and in which all
22 monetary gifts, bequests, or endowments made to the University of Alaska for the
23 purpose of the fund [,] shall be held in trust.

24 * Sec. 12. AS 14.40.400(b) is amended to read:

25 (b) The president of the University of Alaska [COMMISSIONER OF
26 REVENUE] is the fiduciary of the trust fund and shall account for and invest the fund
27 as set out for the commissioner of revenue in AS 37.14.110(c), 37.14.160, and
28 37.14.170, except that the president of the university [COMMISSIONER] shall report
29 the condition and investment performance of the fund to the Board of Regents and to
30 the legislature.

31 * Sec. 13. AS 14.40.491 is amended to read:

1 Sec. 14.40.491. DEFINITION OF UNIVERSITY RECEIPTS. In
2 AS 14.40.120 - 14.40.491, "university receipts" includes

- 3 (1) student fees, including tuition;
4 (2) receipts from university auxiliary services;
5 (3) recovery of indirect costs of university activities;
6 (4) the net income of the trust fund established in AS 14.40.400 and
7 receipts from sales and rentals of university property;
8 (5) federal receipts;
9 (6) gifts, grants, and contracts; and
10 (7) receipts from sales, rentals, and the provision of services of
11 educational activities.

12 * Sec. 14. AS 29.45.030(a) is amended to read:

13 (a) The following property is exempt from general taxation:

14 (1) municipal property, including property held by a public corporation
15 of a municipality, [OR] state property, or property of the University of Alaska,
16 except that

17 (A) a private leasehold, contract, or other interest in the
18 property is taxable to the extent of the interest;

19 (B) notwithstanding any other provision of law, property
20 acquired by an agency, corporation, or other entity of the state through
21 foreclosure or deed in lieu of foreclosure and retained as an investment of a
22 state entity is taxable; this subparagraph does not apply to federal land granted
23 to the University of Alaska under AS 14.40.380 or 14.40.390, [OR] to other
24 land granted to the university by the state to replace land that had been granted
25 under AS 14.40.380 or 14.40.390, or to land conveyed by the state to the
26 University of Alaska under AS 14.40.365;

27 (C) an ownership interest of a municipality in real property
28 located outside the municipality acquired after December 31, 1990, is taxable
29 by another municipality; however, a borough may not tax an interest in real
30 property located in the borough and owned by a city in that borough;

31 (2) household furniture and personal effects of members of a

1 household;

2 (3) property used exclusively for nonprofit religious, charitable,
3 cemetery, hospital, or educational purposes;

4 (4) property of a nonbusiness organization composed entirely of persons
5 with 90 days or more of active service in the armed forces of the United States whose
6 conditions of service and separation were other than dishonorable, or the property of
7 an auxiliary of that organization;

8 (5) money on deposit;

9 (6) the real property of certain residents of the state to the extent and
10 subject to the conditions provided in (e) of this section;

11 (7) real property or an interest in real property that is exempt from
12 taxation under 43 U.S.C. 1620(d), as amended;

13 (8) property of a political subdivision, agency, corporation, or other
14 entity of the United States to the extent required by federal law; except that a private
15 leasehold, contract, or other interest in the property is taxable to the extent of that
16 interest;

17 (9) natural resources in place including coal, ore bodies, mineral
18 deposits, and other proven and unproven deposits of valuable materials laid down by
19 natural processes, unharvested aquatic plants and animals, and timber.

20 * Sec. 15. AS 36.30.850(b)(15) is amended to read:

21 (15) a contract that is a delegation, in whole or in part, of investment
22 powers held by the commissioner of revenue under [AS 14.40.400,] AS 14.42.200,
23 14.42.210, AS 18.56.095, AS 37.10.070, 37.10.071, or AS 37.14;

24 * Sec. 16. AS 14.40.400(e) is repealed.

25 * Sec. 17. UNIVERSITY OF ALASKA ENDOWMENT TRUST FUND: TRANSITION.

26 A contract, right, liability, or obligation in effect on the effective date of this Act remains in
27 effect notwithstanding the amendments to AS 14.40.280 or 14.40.400 made in secs. 5, 11,
28 12, and 16 of this Act. Assets and liabilities of the University of Alaska endowment trust
29 fund held by the Department of Revenue on the effective date of this Act shall be transferred
30 by the Department of Revenue to the University of Alaska to implement this Act.

31 * Sec. 18. APPLICABILITY OF LAND SALE CONTRACT REMEDY PROVISIONS.

- 1 AS 14.40.291(e) - (g), added by sec. 7 of this Act, apply to land sale contracts entered into
- 2 by the University of Alaska on or after the effective date of this Act.

2-15-96
SF Moved
Adopted

SENATE FINANCE
COMMITTEE #1
Amendment Number: _____
Bill Number: SB 250
Sponsor: _____ Date: 2-15-96
Logged In By: _____

AMENDMENTS

SB 250

UNIVERSITY LAND GRANT

Page 7, Line 7

Insert following "...division of land."

Such list shall not include valid existing selections of a municipality to which it is entitled under the Municipal Entitlement Act. Further, in the event there is a disagreement between the University and the Department of Natural Resources over the lands to be placed on such list, the matter shall be submitted to the Governor who shall make the final decision. The Governor, upon the recommendation of.....

Page 7, Line 22

Replace "patent" with quitclaim deed

Page 7, Line 30

Insert following "(2)" after approval by the legislature, and

Page 7, Line 30

Replace ~~patent~~ with quitclaim deed

Page 8, Line 3, Line 6

Replace ~~patent~~ with quitclaim deed

Page 8, Line 13

Following "The state", replace ~~shall~~ with may

9

Page 13, Line 13, Line 18, Line 22, Line 27, Line 28, Line 29

Replace ~~patent~~ with quitclaim deed *correct typo.*

Page 10, Line 1

Replace ~~2014~~ with 2016

Page 10, Line 15

Following "land.", add conveyed under AS 14.40.365.

Page 10, Line 17

Replace ~~this section~~ with conveyed under AS 14.40.365

University of Alaska

Statewide System

SB 250 EXPANDING UNIVERSITY OF ALASKA LAND GRANT

By Senators FRANK, Reiger, Kelly, Miller, Sharp

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

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

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

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

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

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

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

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

contact :

Wendy Redman
University Relations
463-3086/474-7582

State Land Grant Rankings

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

Average 334,156

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

Average 42.01%

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

Average 6,569,531

2/15/96
Univ.
Handout

**Land-Grant Trust Funds
Balance Sheet
June 30, 1995**

	<u>Endowment Funds</u>		<u>Designated Unrestricted Funds</u>	
	<u>Land-Grant Trust Funds</u>	<u>Inflation-Proofing</u>	<u>Land-Grant Trust Revenues</u>	<u>Natural Resources</u>
Assets				
Cash and investments	\$ 32,649,417	\$ 4,782,392	\$ -	\$ 2,795,444
Accounts receivable (net)	4,027,082	16,861	-	-
Real estate	<u>38,724,152</u>	<u>3,684,252</u>	-	-
	<u>\$ 75,400,651</u>	<u>\$ 8,483,505</u>	<u>\$ -</u>	<u>\$ 2,795,444</u>
Liability				
Deposit payable	<u>1,800,000</u>	-	-	-
Fund balance	<u>73,600,651</u>	<u>8,483,505</u>	<u>-</u>	<u>2,795,444</u>
Total liability and fund balance	<u>\$ 75,400,651</u>	<u>\$ 8,483,505</u>	<u>\$ -</u>	<u>\$ 2,795,444</u>

**Schedule of Changes in Fund Balances
For the Year Ended June 30, 1995**

	<u>Endowment Funds</u>		<u>Designated Unrestricted Funds</u>	
	<u>Land-Grant Trust Funds</u>	<u>Inflation-Proofing</u>	<u>Land-Grant Trust Revenues</u>	<u>Natural Resources</u>
Fund balance July 1, 1994	\$ 71,483,367	\$ 6,493,864	\$ 1,260,215	\$ 1,927,177
Additions to principal	1,736,183	-	-	-
Investment earnings	381,101	-	2,763,918	-
Expenditures:				
Land management costs	-	(2,619)	(467,782)	-
Natural Resources Program	-	-	-	(595,824)
Loan reservation	-	(100,000)	-	-
Transfers:				
Natural Resources Fund	-	-	(1,464,091)	1,464,091
Inflation-Proofing	-	732,045	(732,045)	-
UATDC	-	100,000	(100,000)	-
Accumulated earnings	-	<u>1,260,215</u>	<u>(1,260,215)</u>	-
Fund balance June 30, 1995	<u>\$ 73,600,651</u>	<u>\$ 8,483,505</u>	<u>\$ -</u>	<u>\$ 2,795,444</u>

See accompanying notes to these schedules.

Land Grant Trust Funds Notes to the Financial Schedules:

1. By Acts of Congress in 1915 and 1929, the university was granted approximately 110,000 acres of land which the territory, and later the state, of Alaska managed on behalf of the university. The university currently holds approximately 81,000 acres of these lands at no basis because fair value at the date transfer was not determinable. In 1982 and 1988 the university was allowed to select certain state lands including timber and other rights as replacement for lands disposed of by the territory and the state. These replacement lands and property interests were recorded at their fair value at the date of transfer.
2. The Land-Grant Trust Fund cash and investments, totaling approximately \$32.6 million at June 30, 1995, are held in trust by the Alaska Department of Revenue and invested in pooled fixed income and pooled domestic equity fund units. The associated market value of these funds at June 30, 1995 was approximately \$35.2 million.
3. The Inflation-Proofing Fund represents reinvested earnings of the Land Grant Trust Fund and net proceeds of non-trust land transactions designated for preservation of the long-term purchasing strength of the endowment. Its assets included investments of approximately \$3.7 million in improved and unimproved real property held for the long-term benefit of the institution's educational activities. The remainder of the principal of the Inflation-Proofing Fund and the revenue funds are invested in pooled investment funds of The Common Fund.
4. The Natural Resources Fund represents funds designated by Board of Regents' policy to provide support for agriculture, forestry, fisheries, mineral, and other university programs.
5. Additions to the principal represent the net gains from the sale, lease, or transfer of land, materials, and mineral interests.
6. In fiscal year 1995, the methodology for calculating the inflation proofing transfer was revised from a variable percentage (based on the change in the Consumer Price Index) of fund principal to thirty-three percent of fund earning available for distribution after payment of land management costs. The revised methodology is intended to provide greater stability for income and inflation proofing distributions.
7. Transfers to the Natural Resources Fund represent current year fund earnings in excess of inflation-proofing transfers and land management expenditures.
8. In fiscal year 1995, the Board of Regents authorized a loan of \$165,000 to the University of Alaska Technology Development Corporation, Inc. (UATDC) and, as of June 30, 1995, \$100,000 of that amount had been disbursed. UATDC is a not-for profit organization formed in 1994 to license and market the university's inventions. UATDC's financial statements are not combined with those of the university's.

Land-Grant Trust Funds
Schedule of Allocated Natural Resources Fund Balances
For the Year Ended June 30, 1995

<u>Project</u>	<u>Available June 30, 1994</u>	<u>Expenditures</u>	<u>Additions, Transfers</u>	<u>Available June 30, 1995</u>
Agriculture				
UAF/Forage Management	\$ 115,140	\$ 110,532	\$ 105,000	\$ 109,608
UAF/Microbial Ecology	22,133	11,234	-	10,899
UAF/Plant Disease Control	18,123	6,396	-	11,727
Fisheric				
UAA/Bering Sea	1,472	-	-	1,472
UAA/Salmonoid Pathogen	3,275	1,142	-	2,133
UAA/Taiwan Fish Market	-	-	20,000	20,000
UAA/Fish Weir Mapping	58	40	(18)	-
UAF/Arctic Grayling Distribution	4,500	4,276	-	224
UAF/Bitter Crab	12,900	3,212	-	9,688
UAF/Cooperative Research Center	18,581	8,204	-	10,377
UAF/Fish Forage Sampling	2,796	821	-	1,975
UAF/Fish Oil	17,739	8,437	-	9,302
UAF/Fisheries Management	1,671	1,671	-	-
UAF/Fisheries Task Force	2,357	-	-	2,357
UAF/Fishery Concerns	15,565	4,652	-	10,913
UAF/Forum on Environment	83	-	(83)	-
UAF/Japanese Sockeye Market	-	6,263	18,977	12,714
UAF/Kasitsna Bay	16,120	15,618	60,000	60,502
UAF/Kowee Creek Hatchery	13,042	13,042	-	-
UAF/Museum Collections	4,105	-	-	4,105
UAF/Parasite Detection	136	133	(3)	-
UAF/Population Dynamics	36,300	1,500	-	34,800
UAF/Research Role in Fish Econ	3,717	-	-	3,717
UAF/Salmon Marketing	2,839	-	-	2,839
UAF/Salmon Scenario Planning	689	-	(689)	-
UAF/Seafood Engineering Equipmt	-	5,251	19,995	14,744
UAF/Shellfish Conference	-	5,000	5,000	-
UAF/Videoconference of Thesis	5	-	(5)	-
UAF/Walrus Management	3,801	-	-	3,801
UAF/Yukon Chum Plan	1,546	664	(882)	-
UAF/4H Yukon Fisheries	517	-	-	517
UAS/Specimen Freezer	11,900	5,664	-	6,236
UAS/Glacier Bay Mammals	-	584	6,950	6,366
SW/Pacific Ocean Symposium	35,645	2,794	(32,851)	-
Forestry				
UAA/Timber for China	6,196	5,641	-	555
UAA/Timber for Pacific Rim	-	5,700	18,000	12,300
UAF/Moose Herbivory	-	127	13,710	13,583
UAS/Traditional Lifestyles	10,592	9,752	-	840

<u>Project</u>	<u>Available June 30, 1994</u>	<u>Expenditures</u>	<u>Additions, Transfers</u>	<u>Available June 30, 1995</u>
Minerals				
UAF/Coal Grinding	22,990	2,901	-	20,089
UAF/Enhanced Oil Recovery	5,550	4	-	5,546
UAF/North Slope Gas Utilization	-	2,635	31,622	28,987
UAF/Rural Mining Training	8,518	5,468	-	3,050
UAF/Trust Lands Minerals	13,010	10,402	-	2,608
Resources Management Marketing				
UAA/Data Base Enhancement	21,067	16,551	-	4,516
UAA/Forage Lichens	2,381	2,381	-	-
UAA/Nature Trails	2,270	-	-	2,270
UAA/Oil Spill Effects / Social	2,144	-	-	2,144
UAA/Park Map	1	-	(1)	-
UAA/Arctic Ctr for Applied Resources	-	1,345	5,000	3,655
UAF/4H Natural Resource Educ.	2,488	2,287	-	201
UAF/Bridges of Science	25,637	25,637	-	-
UAF/Circumpolar Journal	3,936	447	-	3,489
UAF/Fire Science Curriculum	4,348	4,343	-	5
UAF/Particle Sizing	13,790	2,889	-	10,901
UAF/Recreation Impact on Tundra	-	1,742	2,450	708
UAF/SAR Wetlands Imagery	-	3,951	21,000	17,049
UAF/SAR Delta Fire Imagery	-	-	9,450	9,450
UAF/Satellite Images	8,476	15,294	13,000	6,182
UAF/Water Flow Modeling	1,366	-	-	1,366
UAF/Wetlands Workshop	464	-	(464)	-
UAF/Wildfire Mapping	-	-	19,500	19,500
UAS/Cave Ecosystems	33,998	17,157	-	16,841
UAS/Settlement Claims	7,500	-	-	7,500
USSR Exchange Programs				
UAA/Civil Aviation	4,058	3,827	-	231
UAF/Grant Writing	759	-	(759)	-
SW/AK Siberia Medical Res.	15,225	6,903	759	9,081
SW/ Joint Research Center	355	-	3,000	3,355
SW/Magadan Telecommunications	14,981	14,981	-	-
SW/Russian Relations	3,792	-	-	3,792
Other				
UAA/Building Acquisition	75,000	-	-	75,000
UAA/Information System	4,648	3,718	-	930
UAA/Language Coordination	1,500	391	-	1,109
UAA/Molecular Biology Instrtn	6,373	5,675	-	698
UAA/Native Health Catalog	2,032	-	-	2,032
UAF/Alaska Ctr for Rural Health	-	-	40,000	40,000
UAF/Alaska Space Academy	5,000	-	-	5,000
UAF/E-scope Upgrade	26	-	(26)	-
UAF/E-scope Repair	1,376	175	(1,201)	-
UAF/Early Warning System	4,010	4,010	-	-

<u>Project</u>	<u>Available June 30, 1994</u>	<u>Expenditures</u>	<u>Additions, Transfers</u>	<u>Available June 30, 1995</u>
Other (continued)				
UAF/Education Reform/Diversity	5,374	5,374	-	-
UAF/Employer Recruitment	-	142	19,800	19,658
UAF/Int'l Arctic Research Center	-	-	30,000	30,000
UAF/Japanese Fellowship Program	-	923	9,750	8,827
UAF/Math Coordination	73	-	(73)	-
UAF/Mentorship of NIDCO Minority	-	11,000	12,000	1,000
UAF/Museum Database	3,605	3,605	-	-
UAF/Paleoecology of SE Karst	2,233	2,233	-	-
UAF/Resonance Technology	1,320	1,294	(26)	-
UAF/Science News	12,000	11,306	-	694
UAF/Science Outreach	2,632	2,632	-	-
UAF/Seismology Curriculum	6,952	2,648	-	4,304
UAF/SFOS Graduate Students	11,000	11,000	-	-
UAF/Student Retention	4,251	1,684	-	2,567
UAF/Teaching Initiative	-	-	14,000	14,000
UAF/UA Press	20,000	20,000	20,000	20,000
UAS/Innovative Delivery	8,031	8,031	-	-
UAS/Educational Tech. Equip	-	-	48,000	48,000
UAS/Rural Sanitation	-	-	40,000	40,000
UAS/Student Assessment	454	454	-	-
UAS/UA Learning Cooperative	150,000	72,420	120,000	197,580
SW/AAHE Conference	-	2,190	2,190	-
SW/AAHE Roundtable	-	-	3,000	3,000
SW/ADEC Program Director	-	-	40,000	40,000
SW/Alumni Survey	3,512	2,194	-	1,318
SW/Entrance Design	-	-	23,900	23,900
SW/NASW Conference	1,500	1,500	-	-
SW/President's Financial Aid	75,000	13,333	-	61,667
SW/Program Consolidation	11,975	-	8,000	19,975
SW/Collaborative Program Dev.	-	2,778	30,000	27,222
SW/Program Review	676	-	(676)	-
SW/Program Review Consultant	9,584	3,489	7,416	13,511
SW/Science Citation Index	5,625	5,625	-	-
SW/Student Follow-up	15,000	13,505	(1,000)	495
SW/UA Relations/Development	25,100	3,000	-	22,100
Undistributed	848,668	-	661,379	1,510,047
	<u>\$ 1,927,177</u>	<u>\$ 595,824</u>	<u>\$ 1,464,091</u>	<u>\$ 2,795,444</u>

1 subject to the conditions provided in (e) of this section;

2 (7) real property or an interest in real property that is exempt from
3 taxation under 43 U.S.C. 1620(d), as amended;

4 (8) property of a political subdivision, agency, corporation, or other
5 entity of the United States to the extent required by federal law; except that a private
6 leasehold, contract, or other interest in the property is taxable to the extent of that
7 interest;

8 (9) natural resources in place including coal, ore bodies, mineral
9 deposits, and other proven and unproven deposits of valuable materials laid down by
10 natural processes, unharvested aquatic plants and animals, and timber.

11 * Sec. 15. AS 36.30.850(b)(15) is amended to read:

12 (15) a contract that is a delegation, in whole or in part, of investment
13 powers held by the commissioner of revenue under [AS 14.40.400,] AS 14.42.200,
14 14.42.210, AS 18.56.095, AS 37.10.070, 37.10.071, or AS 37.14;

15 * Sec. 16. AS 14.40.400(e) is repealed.

16 * Sec. 17. UNIVERSITY OF ALASKA ENDOWMENT TRUST FUND: TRANSITION.

17 A contract, right, liability, or obligation in effect on the effective date of this Act remains in
18 effect notwithstanding the amendments to AS 14.40.280 or 14.40.400 made in secs. 5, 11,
19 12, and 16 of this Act. Assets and liabilities of the University of Alaska endowment trust
20 fund held by the Department of Revenue on the effective date of this Act shall be transferred
21 by the Department of Revenue to the University of Alaska to implement this Act.

22 * Sec. 18. APPLICABILITY OF LAND SALE CONTRACT REMEDY PROVISIONS.

23 AS 14.40.291(e) - (g), added by sec. 7 of this Act, apply to land sale contracts entered into
24 by the University of Alaska on or after the effective date of this Act.

1 (7) receipts from sales, rentals, and the provision of services of
2 educational activities.

3 * Sec. 14. AS 29.45.030(a) is amended to read:

4 (a) The following property is exempt from general taxation:

5 (1) municipal property, including property held by a public corporation
6 of a municipality, [OR] state property, or property of the University of Alaska,
7 except that

8 (A) a private leasehold, contract, or other interest in the
9 property is taxable to the extent of the interest;

10 (B) notwithstanding any other provision of law, property
11 acquired by an agency, corporation, or other entity of the state through
12 foreclosure or deed in lieu of foreclosure and retained as an investment of a
13 state entity is taxable; this subparagraph does not apply to federal land granted
14 to the University of Alaska under AS 14.40.380 or 14.40.390, [OR] to other
15 land granted to the university by the state to replace land that had been granted
16 under AS 14.40.380 or 14.40.390, or to land conveyed by the state to the
17 University of Alaska under AS 14.40.365;

18 (C) an ownership interest of a municipality in real property
19 located outside the municipality acquired after December 31, 1990, is taxable
20 by another municipality; however, a borough may not tax an interest in real
21 property located in the borough and owned by a city in that borough;

22 (2) household furniture and personal effects of members of a
23 household;

24 (3) property used exclusively for nonprofit religious, charitable,
25 cemetery, hospital, or educational purposes;

26 (4) property of a nonbusiness organization composed entirely of persons
27 with 90 days or more of active service in the armed forces of the United States whose
28 conditions of service and separation were other than dishonorable, or the property of
29 an auxiliary of that organization;

30 (5) money on deposit;

31 (6) the real property of certain residents of the state to the extent and

1 onto or remains on land owned by the University of Alaska.

2 (b) The provisions of (a) of this section do not apply to damages for injury to
3 or death of a person, or for property damage to the property of a person, that occurs
4 on land of the University of Alaska that, after receipt of title to the land by the
5 University of Alaska, has been improved and is actively maintained by the University
6 of Alaska.

7 * Sec. 11. AS 14.40.400(a) is amended to read:

8 (a) The University of Alaska [DEPARTMENT OF REVENUE] shall establish
9 a separate endowment trust fund in which all net income derived from the sale or lease
10 of the land granted under the Act of Congress approved January 21, 1929, and the
11 land selected by and conveyed to the University of Alaska under AS 14.40.365 that
12 under AS 14.40.291(b) is designated university trust land, and in which all
13 monetary gifts, bequests, or endowments made to the University of Alaska for the
14 purpose of the fund [,] shall be held in trust.

15 * Sec. 12. AS 14.40.400(b) is amended to read:

16 (b) The president of the University of Alaska [COMMISSIONER OF
17 REVENUE] is the fiduciary of the trust fund and shall account for and invest the fund
18 as set out for the commissioner of revenue in AS 37.14.110(c), 37.14.160, and
19 37.14.170, except that the president of the university [COMMISSIONER] shall report
20 the condition and investment performance of the fund to the Board of Regents and to
21 the legislature.

22 * Sec. 13. AS 14.40.491 is amended to read:

23 Sec. 14.40.491. DEFINITION OF UNIVERSITY RECEIPTS. In
24 AS 14.40.120 - 14.40.491, "university receipts" includes

- 25 (1) student fees, including tuition;
26 (2) receipts from university auxiliary services;
27 (3) recovery of indirect costs of university activities;
28 (4) the net income of the trust fund established in AS 14.40.400 and
29 receipts from sales and rentals of university property;
30 (5) federal receipts;
31 (6) gifts, grants, and contracts; and

1 prospecting site, sale, permit, or right-of-way

2 (1) the state is entitled to receive 50 percent of the income obtained
3 from the lease, license, contract, claim, prospecting site, sale, permit, or right-of-way
4 for the duration of the term of the lease, contract, claim, prospecting site, sale, permit,
5 or right-of-way, and during any renewal of it that is authorized by the lease, license,
6 contract, claim, prospecting site, sale, permit, or right-of-way, or by law;

7 (2) the responsibility for the management of the land vests with the
8 University of Alaska only upon conclusion of the term of the lease, license, contract,
9 claim, prospecting site, sale, permit, or right-of-way, and any renewal of the lease,
10 license, contract, claim, prospecting site, sale, permit, or right-of-way that is authorized
11 by law.

12 (b) If the state and the university mutually agree that the responsibility for the
13 management of land may be transferred to the university at a date earlier than the date
14 described in (a)(2) of this section, then, notwithstanding (a)(1) of this section, the
15 university is entitled to receive all income described in (a)(1) of this section on or after
16 the effective date of the transfer of the management responsibility.

17 Sec. 14.40.369. CUSTOMARY AND TRADITIONAL USES TO BE
18 CONTINUED. (a) When land selected by the University of Alaska under
19 AS 14.40.365 has been conveyed to it, before conveying or disposing of an interest in
20 land to a third party, the University of Alaska shall manage the land in a manner that
21 permits customary and traditional uses of the resources of that land to the maximum
22 extent practicable.

23 (b) The provisions of (a) of this section do not apply to authorize the
24 commercial harvest of timber from the land conveyed to the university.

25 * Sec. 10. AS 14.40 is amended by adding a new section to read:

26 Sec. 14.40.375. TORT IMMUNITY FOR PERSONAL INJURIES, DEATH,
27 OR PROPERTY DAMAGE OCCURRING ON UNIVERSITY LAND. (a)
28 Notwithstanding AS 09.65.200 and except as provided in (b) of this section, the
29 University of Alaska is not liable in tort, except for an affirmative act that constitutes
30 gross negligence or reckless or intentional misconduct, for damages for the injury to
31 or death of a person, or for property damage to the property of a person, who enters

2016

1 after December 31, ~~2011~~.

2 * Sec. 9. AS 14.40 is amended by adding new sections to read:

3 Sec. 14.40.366. MANAGEMENT AND DISPOSITION OF UNIVERSITY
4 TRUST LAND. (a) University trust land selected and conveyed under AS 14.40.365
5 shall be conveyed to the Board of Regents and held by the Board of Regents in trust
6 for the University of Alaska. The University of Alaska

7 (1) shall manage university trust land in accordance with applicable
8 trust management principles;

9 (2) shall manage university trust land under provisions of law
10 applicable to other university land; and

11 (3) may exchange other state land for university trust land under the
12 procedures set out in AS 38.50.

13 (b) The University of Alaska shall establish policies to provide for public
14 notice and comment on proposals for development, exchange, or sale of university trust
15 land. ^{insert} The Board of Regents shall adopt policies that provide that the university shall
16 every second year prepare a plan for management and disposition of university trust
17 land ~~under this section~~ and shall, not less than 60 days before scheduled approval by
18 the Board of Regents of the plan,

19 (1) make copies of the plan available at all legislative information
20 offices and at such other locations as the university may designate;

21 (2) publish a notice in newspapers of general circulation in the state
22 that provides the public with information on the locations where the plan is available
23 for public inspection;

24 (3) give notice to all legislators and to local governments with
25 jurisdiction over the land affected by the plan; and

26 (4) seek public comment on the plan prior to action by the Board of
27 Regents approving the plan.

28 Sec. 14.40.368. MANAGEMENT AND DISPOSITION OF INCOME FROM
29 EXISTING ENCUMBRANCES ON UNIVERSITY TRUST LAND. (a) For the land
30 selected by and conveyed to the University of Alaska under AS 14.40.365 that is, as
31 of the effective date of the conveyance, subject to a lease, license, contract, claim,

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Act of July 26, 1866, 14 Stat. 253);

(2) excludes any interest transferred to the state by quit claim deed dated June 30, 1959, under authority of the Alaska Omnibus Act, P.L. 86-70, 73 Stat. 141.

(g) The University of Alaska shall bear all costs of selection, platting, surveying, and, except for a cost specified in (i) of this section, conveyance of the land that it selects under this section and, subject to appropriation, shall reimburse the Department of Natural Resources for the reasonable costs incurred by that department relating to that selection, platting, surveying, and conveyance. Under this subsection,

(1) if the land has been surveyed,

(A) the boundaries of the land conveyed must conform to the public land subdivisions established by the approved survey; and

(B) the commissioner shall issue a ^{9c} ~~patent~~ to the land within one year of receiving a request for the land's conveyance from the university;

(2) if the land is unsurveyed, the commissioner shall

(A) survey the exterior boundaries of the land to be conveyed without interior subdivision; and

(B) issue a ^{9c} ~~patent~~ to the land in terms of the exterior boundary survey within one year of receiving a request for the land's conveyance by the university.

(h) For land due the University of Alaska under this section that is unsurveyed, pending the survey of exterior boundaries and issuance of ^{9c} ~~patent~~, the commissioner of natural resources shall, within one year of request by the university, prepare and provide to the University of Alaska a document of interim conveyance for the land to be conveyed.

(i) Except as provided in AS 14.40.368(a)(2), management of land conveyed to the University of Alaska by ^{9c} ~~patent~~ or by a document of interim conveyance vests with the University of Alaska from the date of recording of the ^{9c} ~~patent~~ or document of interim conveyance. The state shall pay the cost of recording all ^{9c} ~~patents~~ and documents of interim conveyance.

(j) The University of Alaska may not make a land selection under this section

1 claims, prospecting sites, sales, permits, rights-of-way, or easements, or from
2 trespasses, originating after the date of selection by the University of Alaska shall be
3 held by the state; upon the issuance of a document of interim conveyance or a ^{9c} ~~patent~~,
4 the state shall pay to the University of Alaska the proceeds held by the state under this
5 paragraph, and subsequent to the issuance of a document of interim conveyance or a
6 ^{9c} ~~patent~~; the University of Alaska shall receive all of the proceeds derived from the
7 contracts, leases, licenses, claims, prospecting sites, sales, permits, rights-of-way, or
8 easements, or from trespasses;

9 (3) responsibility for management of contracts, leases, licenses, claims,
10 prospecting sites, sales, permits, rights-of-way, or easements, vests with the University
11 of Alaska upon issuance of a patent or a document of interim conveyance.

12 (d) When land is conveyed to the University of Alaska under this section, it
13 shall be conveyed in fee simple. The state ^{may} ~~shall~~ convey to the university any tideland
14 or submerged land adjacent to the land conveyed under this section. The University
15 of Alaska takes the land subject to any possessory interest held by another person on
16 the effective date of the conveyance. Except as provided in AS 14.40.368(a)(1), the
17 University of Alaska is entitled to receive the consideration due under that possessory
18 interest for the duration of the possessory interest.

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

23 (f) Land transferred or conveyed to the University of Alaska under this section

24 (1) is subject to

25 (A) Sec. 6(i) of the Alaska Statehood Act (P.L. 85-508, 72 Stat.
26 339);

27 (B) art. IX of the state constitution;

28 (C) AS 19.10.010;

29 (D) payment to the Alaska permanent fund of the amounts
30 required by AS 37.13.010(a) and (b); and

31 (E) the rights of the state under former 43 U.S.C. 932 (sec. 8,

1 by the state under the Alaska Statehood Act.

2 (b) For purposes of making the selection and conveyance of state land to the
3 university under (a) of this section, the director of the division of land, Department of
4 Natural Resources, and the director of the University of Alaska's land management
5 office shall compile and maintain and may revise a list of the land to be conveyed to
6 the university under this section. The list shall be maintained at the Anchorage office
7 of the director of the division of land. ^{insert} The director of the division of land and the
8 director of the university's land management office shall periodically jointly submit
9 to the legislature, within 30 days of the beginning of a regular legislative session, a list
10 of land proposed to be conveyed by the state to the University of Alaska under this
11 section. Each list must contain not less than 25,000 acres of land, or the remaining
12 entitlement under (a) of this section, whichever is less. The legislature may by law
13 approve or disapprove the list and must approve or disapprove the list within 60 days
14 of its submission. A list submitted shall be deemed approved for conveyance to the
15 University of Alaska if the legislature neither approves nor disapproves the list during
16 the period of 60 days after the date on which the list was submitted.

17 (c) Notwithstanding any other provision of law, on land selected by but not
18 yet patented to the University of Alaska or for which a document of interim
19 conveyance has not been issued to the University of Alaska under this section,

20 (1) the state is authorized to enter into contracts and grant leases,
21 licenses, claims, prospecting sites, sales, permits, rights-of-way, or easements, and any
22 interim conveyance or ^{9c} ~~patent~~ shall be subject to the contract, lease, license, claim,
23 prospecting site, sale, permit, right-of-way, or easement, except that the authority
24 granted the state by this subsection

25 (A) is the authority that the state otherwise would have had
26 under existing laws and regulations had the land not been selected by the
27 University of Alaska; and

28 (B) may be exercised only if the University of Alaska has
29 concurred before the action is taken by the state;

30 ^{Insert} (2) until the land has been conveyed by ^{9c} ~~patent~~ or by a document of
31 interim conveyance, 90 percent of the proceeds derived from contracts, leases, licenses,

1 university the full amount of the unpaid contract price, including all accrued interest
2 and any fees assessed under (e) of this section, the university shall issue to the
3 purchaser a deed to the land. If full payment is not made within 30 days or the breach
4 is for other than failure to make payment, the decision forecloses and terminates all
5 legal and equitable rights the purchaser has in the land.

6 (h) Notwithstanding AS 09.25.100 - 09.25.220, on a determination that it is
7 in the best interest of the university or on the request of the person who has provided
8 the information, the president may keep the following confidential:

9 (1) the names of a person applying for the sale, lease, or other disposal
10 of university land or an interest in university land;

11 (2) before the announced time of opening of an offer to purchase, lease,
12 or obtain a disposal of university land, the names of the participants and the terms of
13 their offers;

14 (3) all geological, geophysical, engineering, architectural, sales,
15 appraisal, gross receipts, net receipts, or other financial information relating to
16 university land or an interest in university land considered for or offered for disposal
17 or currently subject to a contract;

18 (4) cost data and financial information submitted by an applicant in
19 support of applications for bonds, leases, or other information in offerings and ongoing
20 operations relating to management of university land;

21 (5) applications for rights-of-way or easements across university land;
22 and

23 (6) requests for information about or applications by public agencies
24 for university land that is being considered for use for a public purpose.

25 * **Sec. 8.** AS 14.40 is amended by adding a new section to read:

26 **Sec. 14.40.365. SELECTION AND CONVEYANCE OF STATE LAND TO**
27 **THE UNIVERSITY OF ALASKA.** (a) For the purposes of providing support to the
28 state's public higher education system and for the purpose of generating responsible
29 and appropriate development of the state's land and resources, the University of Alaska
30 is authorized to receive the conveyance of 500,000 acres of land that, on the effective
31 date of this section, is owned by the state, or has been tentatively approved or selected

1 land owned by the University of Alaska is not and may not be treated as state public
2 domain land.

3 (b) Land conveyed to the University of Alaska under AS 14.40.365 is
4 designated as university trust land.

5 (c) Title to or interest in [TO] land described in (a) of this section may not
6 be acquired by adverse possession, prescription, or in any other manner except by
7 conveyance from the university.

8 (d) The land described in (a) of this section is subject to condemnation for
9 public purpose in accordance with law.

10 * Sec. 7. AS 14.40.291 is amended by adding new subsections to read:

11 (e) If a contract for a sale of land of the university is breached, the president
12 of the university or the president's designee, in addition to other remedies available
13 under the law, may issue a decision to foreclose and terminate the contract at any time
14 31 days after delivering by certified mail a written notice of the breach to the address
15 of record of the purchaser. The purchaser may cure a breach caused by the failure to
16 make payments required by the contract within 30 days after the notice of the breach
17 has been received by the purchaser by payment of the sum in default together with the
18 larger of a fee of \$50 or five percent of the sum in default. If there are material facts
19 in dispute between the university and the purchaser, the purchaser may submit a
20 written request to the president or the president's designee for the review of the facts
21 within 30 days after the notice of the breach has been received.

22 (f) On a determination that there has been a breach of the contract based on
23 the administrative record, the president of the university or the president's designee
24 shall issue a decision foreclosing the interest of the purchaser and terminating the
25 contract. The obligation to make payments under the contract continues through the
26 date of the decision to foreclose.

27 (g) The president of the university or the president's designee shall deliver the
28 decision to foreclose and terminate, either by personal delivery to the purchaser or by
29 certified mail, return receipt requested, to the address of record of the purchaser. If
30 the breach is a failure to make payments required by the contract, the decision must
31 include a notice to the purchaser that, if within 30 days the purchaser pays to the

1 (B) that were selected by and conveyed to the University of
2 Alaska under AS 14.40.365.

3 * Sec. 4. AS 14.40.190 is amended to read:

4 Sec. 14.40.190. REPORT. (a) The Board of Regents shall prepare a written
5 report at the beginning of each first regular session of the legislature of

6 (1) the condition of [THE] university property;

7 (2) [, OF] all receipts and expenditures, including the administration
8 and disposition of appropriated and restricted funds;

9 (3) the management of university trust land under
10 AS 14.40.366(a)(1) and (2); and

11 (4) [, AND OF] the educational and other work performed during the
12 preceding two fiscal years.

13 (b) The board shall notify the legislature that the report is available.

14 * Sec. 5. AS 14.40.280 is amended to read:

15 Sec. 14.40.280. ENDOWMENTS AND DONATIONS. All monetary gifts,
16 bequests, or endowments that are made to the University of Alaska for the purpose of
17 the separate trust fund created under AS 14.40.400 shall be held by the university.

18 The university [TRANSFERRED TO THE DEPARTMENT OF REVENUE. THE
19 DEPARTMENT OF REVENUE] shall manage that money in accordance with
20 AS 14.40.400. Title to and control or possession of land, personal property, and all
21 money [OTHER THAN] that [TRANSFERRED TO THE DEPARTMENT OF
22 REVENUE, WHICH] is devised, bequeathed, or given to the university for the
23 purpose of the endowment trust fund established by AS 14.40.400(a) shall be taken
24 by the university in its corporate capacity acting by and through the regents or an
25 authorized agent, and shall be entered in the perpetual inventory of the university.

26 * Sec. 6. AS 14.40.291 is amended to read:

27 Sec. 14.40.291. LAND OF THE UNIVERSITY OF ALASKA [NOT PUBLIC
28 DOMAIN] LAND SALE CONTRACTS: CONFIDENTIAL INFORMATION. (a)
29 Notwithstanding any other provision of law, university-grant land, state replacement
30 land that becomes university-grant land on conveyance to the university, land selected
31 by and conveyed to the University of Alaska under AS 14.40.365, and any other

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- (4) have the care, control, and management of
 - (A) all the real and personal property of the university; and
 - (B) land

(i) conveyed to the Board of Regents by the commissioner of natural resources in the settlement of the claim of the University of Alaska to land granted to the state in accordance with the Act of March 4, 1915 (38 Stat. 1214), as amended, and in accordance with the Act of January 21, 1929 (45 Stat. 1091), as amended; and

(ii) selected by the University of Alaska and conveyed to it by the commissioner of natural resources under AS 14.40.365, except as provided in AS 14.40.368(a)(2);

(5) keep a correct and easily understood record of the minutes of every meeting and all acts done by it in pursuance of its duties;

(6) under procedures to be established by the commissioner of administration, and in accordance with existing procedures for other state agencies, have the care, control, and management of all money of the university and keep a complete record of all money received and disbursed;

(7) adopt reasonable rules for the prudent trust management and the long-term financial benefit to the university of the land of the university;

(8) provide public notice of sales, leases, exchanges, and transfers of the land of the university or of interests in land of the university;

(9) report each year within the first 10 days of the convening of a regular session of the legislature on the expenditures made during the preceding fiscal year from the funds of the University of Alaska that are derived from sales, leases, exchanges, or transfers of the land of the university or of interests in land of the university

(A) that were conveyed to the University of Alaska in settlement of the claim of the University of Alaska to land granted to the state in accordance with the Act of March 4, 1915 (38 Stat. 1214), as amended, and in accordance with the Act of January 21, 1929 (45 Stat. 1091), as amended; and

1 Stat. 1091, the Congress of the United States granted to the Territory of Alaska certain federal
2 land to be held in trust for the benefit of the predecessor of the University of Alaska;

3 (3) the Territory was unable to receive most of the land conveyed by the Act
4 of March 4, 1915, before repeal of that Act by Sec. 6(k) of the Alaska Statehood Act (P.L.
5 85-508, 72 Stat. 339);

6 (4) the Congress of the United States granted the State of Alaska the right to
7 select 102,500,000 acres of federal land under Sec. 6(b) of the Alaska Statehood Act;

8 (5) the land selection rights embodied in the Alaska Statehood Act reflect in
9 part congressional recognition that the state would need the land to support its government and
10 programs, and the Congress assumed that the State of Alaska would in turn devote some of
11 the land or the income from it for the use and benefit of the University of Alaska;

12 (6) most land grant colleges in the western United States have obtained a larger
13 land grant from the federal government than the University of Alaska has received;

14 (7) an academically strong and financially secure state university system is a
15 cornerstone to the long-term development of a stable population and to a healthy, diverse
16 economy in the state;

17 (8) it is in the best interests of the state and the University of Alaska that the
18 university take ownership of a significant and substantial portfolio of income producing land
19 in order to provide income for the support of public higher education in the state; and

20 (9) renewable resources should be managed on a sustained yield basis, taking
21 into account the total land grant.

22 * Sec. 2. LEGISLATIVE INTENT. It is the intent of the legislature that the University
23 of Alaska encourage the development of in-state value-added industries to the maximum extent
24 feasible when developing land conveyed under AS 14.40.365.

25 * Sec. 3. AS 14.40.170(a) is amended to read:

26 (a) The Board of Regents shall

27 (1) appoint the president of the university by a majority vote of the
28 whole board, and the president may attend meetings of the board;

29 (2) fix the compensation of the president of the university, all heads of
30 departments, professors, teachers, instructors, and other officers;

31 (3) confer such appropriate degrees as it may determine and prescribe;

SENATE BILL NO. 250

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY SENATORS FRANK, Rieger, Kelly, Miller, Sharp

Introduced: 2/2/96

Referred: Finance

A BILL**FOR AN ACT ENTITLED**

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

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

8 * **Section 1. FINDINGS AND PURPOSE.** The legislature finds that

9 (1) as the beneficiary under the provisions of the Acts of August 30, 1890, and
10 March 4, 1907, designating the Alaska Agricultural College and School of Mines as
11 beneficiary, and of March 4, 1915, 38 Stat. 1214, transferring certain land for its location and
12 support, the University of Alaska is a land grant university;

13 (2) under the Acts of March 4, 1915, 38 Stat. 1214, and January 21, 1929, 45

University of Alaska

Statewide System

SB 250 EXPANDING UNIVERSITY OF ALASKA LAND GRANT

By Senators FRANK, Reiger, Kelly, Miller, Sharp

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

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

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

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

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

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

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

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

contact :

Wendy Redman
University Relations
463-3086/474-7582

Position Paper

State Land Grant Rankings

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

Average 334,156

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

Average 42.01%

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

Average 6,568,531

2/14/96

Pat Peterson

269-8499

Re: Ron Swanson

testimony on

JB 250.

9-10866-1-907-269-8503

SB

253

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 3/14/96

DATE TURNED INTO OFFICE: 4/2/96 -

The Finance Committee considered SENATE BILL NO. 253

Relating to insurance coverage for costs of prostate cancer detection.

and recommends:

- be replaced with _____ CS OB 253 (FIN)
- adopt previous _____ CS _____
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
 same title
 new title
- House Bill:**
 same title
 technical change
 new: SCR# _____

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Steve Ryan</i>	✓				
<i>Roll E. (P)</i>	✓				
<i>Donna Decker</i>	✓				
<i>Paul F. Stewart</i>	✓				
<i>Bob Smith</i>	✓				
Co-Chair: <i>Donna Decker</i>	✓	Co-Chair:			
Co-Chair: <i>Rich Halford</i>	✓	Co-Chair:			

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

DOA/AII	4/2/96	0	

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

#1 DCEED	7/13/96	0	

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

1

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. SB 253

Revision Date: _____
Title: Insurance for Prostate Cancer Testing

Department: Commerce and Economic Development
BRU: Insurance
Component: Operations

Sponsor: Senator Duncan
Requestor: Labor & Commerce Committee

COMPONENT SERIAL NO. _____ #354

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

CHANGE IN REVENUES						
---------------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 96) cost: \$ 0.0

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

No fiscal impact.

Prepared by: Joan Brown, Administrative Officer
Division: Insurance
Approved by Commissioner: William L. Hensley
Agency: Commerce and Economic Development

Phone: 465-2597
Date: 2/9/96
Date: 2-3-96

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No. /

Bill Version: SB 253

(S) Publish Date: 3-14-96

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Revision Date: _____
Title: Insurance for Prostate Cancer Testing

Department: Commerce and Economic Development
BRU: Insurance
Component: Operations

Sponsor: Senator Duncan
Requestor: Labor & Commerce Committee

COMPONENT SERIAL NO. _____ #354

Expenditures/Revenues		(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02	
PERSONAL SERVICES							
TRAVEL							
CONTRACTUAL							
SUPPLIES							
EQUIPMENT							
LAND & STRUCTURES							
GRANTS, CLAIMS							
MISCELLANEOUS							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES						
--------------------	--	--	--	--	--	--

FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts							
1003 GF Match							
1004 General Fund							
1005 GF/Program Receipts							
1006 GF/MHTIA							
Other							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	

Estimate of any current year (FY 96) cost: \$ 0.0

POSITIONS		FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
FULL-TIME		0	0	0	0	0	0
PART-TIME							
TEMPORARY							

ANALYSIS: (Attach a separate page if necessary)
No fiscal impact.

Prepared by: Joan Brown, Administrative Officer *[Signature]* Phone: 465-2597
 Division: Insurance Date: 2/9/96
 Approved by Commissioner: William L. Hensley *[Signature]* Date: 2-13-96
 Agency: Commerce and Economic Development

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FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

2
BILL NO. SB 253

Revision Date: _____
 Title: An Act relating to insurance coverage for costs of prostate cancer detection.
 Sponsor: Duncan
 Requestor: _____

Department Affected: All Agencies
 BRU: All Agencies
 Component: All Agencies
 COMPONENT SERIAL NO. 64

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
-----------------------------	-----	-----	-----	-----	-----	-----

CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
-------------------------------	-----	-----	-----	-----	-----	-----

FUND SOURCE:

(Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 96) cost: \$ zero

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

Currently the State's plan pays for the Prostate Specific Antigen (PSA) test only when there are clinical signs or symptoms of prostate disease. This bill would expand health coverage to include routine prostate cancer screening. The State's health insurance premiums are based on the experience of the plan. We anticipate an increase in health costs of approximately \$60,000 per year.

Prepared by: Robert F. Stalnaker *Robert F. Stalnaker* Phone: 465-4470
 Division: Retirement & Benefits Date: _____

Approved by Commissioner: Mark Boyer *M. Boyer*
 Agency: Department of Administration Date: 3/2/96

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FISCAL NOTE

No. 2

Bill Version: SB 253

(S) Publish Date: 3-14-96

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Revision Date: _____
Title: An Act relating to insurance coverage for costs of prostate cancer detection.
Sponsor: Duncan
Requestor: _____

Department Affected: All Agencies
BRU: All Agencies
Component: All Agencies
COMPONENT SERIAL NO. 64

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
-------------------------------	------------	------------	------------	------------	------------	------------

FUND SOURCE:

(Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.	0.0	0.0	0.0
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 96) cost: \$ zero

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

Currently the State's plan pays for the Prostate Specific Antigen (PSA) test only when there are clinical signs or symptoms of prostate disease. This bill would expand health coverage to include routine prostate cancer screening. The State's health insurance premiums are based on the experience of the plan. We anticipate an increase in health costs of approximately \$60,000 per year.

Prepared by: Robert F. Stalnaker
Division: Retirement & Benefits

Phone: 465-4470
Date: _____

Approved by Commissioner: Mark Boyer
Agency: Department of Administration

Date: 3/2/96

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FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CS SB 253(FIN)

Revision Date: _____
 Title: An Act relating to insurance coverage for costs of prostate cancer detection.
 Sponsor: Duncan
 Requestor: (S) FEN

Department Affected: All Agencies
 BRU: All Agencies
 Component: All Agencies
 COMPONENT SERIAL NO. 64

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
------------------------	-----	-----	-----	-----	-----	-----

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 96) cost: \$ zero

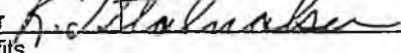
POSITIONS:

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

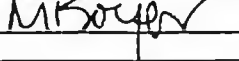
ANALYSIS: (Attach a separate page if necessary.)

Currently the State's plan pays for the Prostate Specific Antigen (PSA) test only when there are clinical signs or symptoms of prostate disease. This bill would expand health coverage to include routine prostate cancer screening. The State's health insurance premiums are based on the experience of the plan. We anticipate an increase in health costs of approximately \$60,000 per year.

This bill also mandates the coverage of PAP tests. These tests are already covered under the State's plan; therefore, there will be no increased cost for that coverage.

Prepared by: Robert F. Stalnaker 
 Division: Retirement & Benefits

Phone: 465-4470
 Date: _____

Approved by Commissioner: Mark Boyer 
 Agency: Department of Administration

Date: 4/2/96

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SENATE FINANCE
COMMITTEE

Amendment Number: 1
Bill Number: SB 253
Sponsor: _____ Date: 3/28/96
Logged in By: J.S.

9-LS1623\C.1
Ford
3/7/96

*moved,
adopted
3/28/96*

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR DUNCAN

TO: SB 253

1 Page 1, lines 11 - 12:

2 Delete "to the same extent that the policy or contract provides coverage for screening
3 or detection of other diseases or illnesses"

4 Insert "as required under the schedule described under (b) of this section"

5 Page 1, line 14, after "provisions.":

6 Insert "If a physician recommends that an insured, subscriber, or enrollee undergo
7 prostate cancer screening by taking a prostate antigen blood test, coverage may not be denied
8 because the insured, subscriber, or enrollee has already had a digital rectal exam and the
9 exam results were negative.

10 (b) The minimum coverage required under (a) of this section includes an
11 annual prostate cancer screening test for a person who is

12 (1) at least 40 years of age but less than 50 years of age and the
13 person is in a high risk group; in this paragraph, "high risk" means a person who is
14 an African-American or who has a family history of prostate cancer; or

15 (2) 50 or more years of age."

16 Reletter the following subsections accordingly.

SENATE FINANCE
COMMITTEE

Amendment Number: 2

Bill Number: SB 253

Sponsor: _____ Date: 4-1-96

Logged In By: JW

4-2-96

SR

moved

Adopted

9-LS1623\C.3

Ford

3/29/96

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR RIEGER

TO: SB 253

- 1 Page 1, line 1, after "cancer":
- 2 Insert "or cervical cancer"

- 3 Page 1, line 4, after "PROSTATE":
- 4 Insert "AND CERVICAL"

- 5 Page 1, line 12, after "illnesses":
- 6 Insert "and shall provide coverage for the costs of cervical cancer screening tests as
- 7 required under (b) of this section"

- 8 Page 1, line 14, after "provisions.":
- 9 Insert a new subsection to read:
- 10 "(b) The minimum coverage required under (a) of this section for cervical
- 11 cancer screening is an annual pap smear cancer screening test for a person who is 18
- 12 or more years of age."

- 13 Reletter the following subsections accordingly.

CS SENATE BILL NO. 253 (Fin)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY SENATOR DUNCAN

Introduced: 2/2/96

Referred: I.&C, FIN

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to insurance coverage for costs of prostate cancer detection."

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

3 * Section 1. AS 21.42 is amended by adding a new section to read:

4 Sec. 21.42.395. COVERAGE FOR PROSTATE CANCER DETECTION. (a)

5 An insurer authorized under AS 21.09 to offer, issue for delivery, deliver, or renew an
6 individual or group disability insurance policy for medical coverage on an expense
7 incurred basis in the state, a hospital or medical service corporation authorized under
8 AS 21.87 to offer or renew a subscriber's contract for medical coverage in the state,
9 or a health maintenance organization authorized under AS 21.86 to offer an enrollee
10 contract to provide health care services on a prepaid basis shall provide coverage for
11 the costs of prostate cancer screening tests to the same extent that the policy or
12 contract provides coverage for screening or detection of other diseases or illnesses.

13 The coverage required by this section is subject to standard policy provisions
14 applicable to other benefits including deductible or copayment provisions.

15 (b) This section does not apply to a supplemental insurance contract covering

1 a specified disease or offering limited benefits.

2 (c) In this section, "prostate cancer screening tests" includes a prostate antigen
3 blood test or another test that is equivalent or better in cancer detection.

4 * Sec. 2. This Act applies to a policy of insurance entered into or renewed on or after the
5 effective date of this Act.

I am here to speak in support of SB 253, relating to insurance coverage for costs of prostate cancer detection. Presently, women live longer than men. This bill would increase men's odds of survival!

If you exclude skin cancer, prostate cancer is the leading cause of cancer in men. In the U.S., there were 200,000 new cases in 1994. It is the second leading cause of death from cancer in men, causing 38,000 deaths in the U.S. in 1994.

Certain factors place some men at greater risk for developing prostate cancer. These include: African-American background, increasing age, and perhaps a diet high in fat intake. The course of prostate cancer is extremely variable. Some tumor subsets are aggressive, grow rapidly, metastasize quickly and lead to a rapid death. Generally, they are slow growing, do not present symptoms, and are only found incidentally at autopsy.

PSA is an enzyme test that measures prostate specific antigen in the blood. This protein is specific to the prostate, but not to prostate cancer. So blood levels of the protein correlate to the amount of prostate tissue. This means that all kinds of prostate tissue, whether it is normal or malignant, may increase the PSA. Eighty percent of men with prostate cancer, will have an increase in PSA. A smaller increase is occasionally seen in older men with an enlarged prostate, which is a common condition in elderly males. If PSA results are low (< 4 ng./ml.), one feels reassured. If results are high (>10 ng./ml.) the client is referred to a urologist. Results between 4-10 are in "the gray zone". This is considered a minimal elevation. Twenty five % of these men (with results between 4-10) will have prostatic cancer, regardless of the finding on a digital rectal examination.

Most authorities who recommend the PSA test, advocate combining it with other modalities such as digital rectal examination or trans-urethral ultrasound. Although PSA misses about 20-30% and digital rectal exams miss about 50% (range, 14-64%) of prostate cancer, the two together detect an additional 15-20% or more over results from either one alone.

The treatment for prostate cancer is surgery and/or radiation. Urinary incontinence is a complication in 30% of cases.

Routine screening of men without symptoms of prostate cancer is controversial. Presently, no data links PSA screening with a decrease in deaths from prostate cancer. The FDA has not approved PSA as a screening test for early detection, although it is approved for monitoring patients who already have prostate cancer.

The American Cancer Society (ACS) and American Urological Assn. (AUA) recommend annual PSA testing for all men aged 50 and older. Both of these professional organizations recommend annual screening for men younger than age 50 who are in high-risk groups. This includes men 40 and over with a family history of prostate CA & men who have had their vasectomy at 40 or older.

The AUA recommends stopping annual testing at 70.

The ACS recommends screening be stopped when the patient's life expectancy is <10 years.

The American Academy of Family Physicians, Canadian Task Force on Periodic Health Examinations, National Cancer Institute, and US Preventive Services Task Force do not recommend routine screening in asymptomatic men

The negative side of this testing is that up to 70% of men with PSA levels b/w 4-10 will not have prostate cancer and may undergo the expense, discomfort and emotional stress of additional diagnostic studies for no benefit.

The possible benefits of PSA screening are:

- men are more willing to have a blood test than a physical exam.
 - if it is combined with a digital rectal examination, there is a 2-3 time increase in prostatic cancer detection rate
 - a decrease in death from prostate cancer that is discovered early.
- However, there is no current data available to demonstrate this. (This test has only been available since 1979, hence the reason for the lack of long-term data)
- PSA may improve the specificity of prostate cancer screening and reduce unnecessary biopsies.
 - it is the most cost effective way of screening for prostatic CA. (The cost of a PSA at Corning Lab is \$43.30. A trans-urethral ultrasound in a urology office is \$325.00)

More specific screening tests are needed. As we speak, these are being developed. They include:

- adjusting for increasing age
- measure serial PSA's and calculate the rate of change
- calculate the ratio of PSA level to the volume of the prostate (PSA Density)

Although this is not a perfect test, it is the best that we have for now. The Alaska Nurse Practitioner Association recommends that this bill be passed with the goal of detecting prostatic cancer at a curable stage, thereby improving men's health.

Mary Anne Wilson

Testimony presented by
Mary Anne Wilson, MS, RN, CS, ANP
Alaska Nurse Practitioner Association
Secretary and Legislative Representative



Mark R. McCaughan, M.D.

Diplomate,
American Board
Of
Urology

3227 Glacier Highway
Juneau, Alaska 99801

(907) 586-5656
Fax (907) 586-8081

March 26, 1996

Senator James Duncan
FAX 465-4748

Dear Senator Duncan:

Thank you for your request for testimony in regard to your wish to have Aetna cover the cost of prostate-specific antigen testing on a routine screening basis.

As you have undoubtedly learned, this is not currently covered as a screening test. To be fair, its reputation as a screening test is controversial. However, we all know of personal anecdotal incidences, and as a urologist I know of many situations whereby curable prostate cancer was diagnosed solely on the basis of the patient having had a PSA determination. Admittedly, it is falsely positive on numerous occasions. However, it is impossible to place a value on a life saved by early detection of prostate cancer.

As you likely know, the incidence of the diagnosis of prostate cancer, particularly in a curable stage, has dramatically increased over the past few years. While our ultimate ability to make the diagnosis depends on prostate ultrasound and ultrasonically-guided needle biopsy as well, the initial suspicion of the possibility of prostate cancer is almost always the result of an elevated PSA. The time-honored method of diagnosing prostate cancer has heretofore been the annual rectal examination. There are increasingly dismal statistics to back up the fact that while this exam certainly does pick up curable prostate cancer, it also simply points out the probability of prostate cancer, which in many cases is no longer curable.

To summarize, PSA determination is indeed an important, and perhaps the most important, first line test for the early diagnosis of curable prostate cancer. Like many medical tests, it certainly has a significant incidence of false positivity, however, the fact remains that it is essential as a part of our diagnostic armamentarium in regard to uncovering curable prostate cancer. The current recommendations, depending on various sources, would generally suggest that annual PSAs be done on the 50 to 60-year-old age group, and semiannual PSAs beginning at age 60. This should be done ten years earlier if there is a first degree relative with the diagnosis of prostate cancer or if one is an African American.

I regret that I could not attend your committee meeting to testify in person. My failure to do so does not indicate a lack of interest, but rather a schedule which could not be changed without inconveniencing multiple patients to do so.

If I may be of further help in achieving your goal of including PSA determination under Aetna coverage, please do not hesitate to call or write.

Sincerely,

Mark R. McCaughan, M.D.

MRM/blh



FAX COVER SHEET

Fax To: Christine Date: 3-6-96 Time: _____

Company: Senator Duceau # Pgs. Including Cover: 1

Fax #: (907) 465-4748 From: Quana Kuhn
(907) 277-8696 • (907) 263-2073 fax

Comments:

American Cancer Society position:

Dr. Ho asked the Committee to approve the following **REVISED RESOLUTION ON REIMBURSEMENT FOR DRE/PSA**: The Committee approved the following revised statement: "The ACS supports reimbursement for digital rectal examination and PSA performed in combination, for the early detection of prostate cancer, as recommended by the ACS guidelines, namely annual digital rectal examination and prostate-specific-antigen (PSA) performed on men 50 years and older. In addition, these examinations should be reimbursed when performed on men in high risk groups (African-American, positive family history) 40 years and older, when recommended by a physician."

The revision was unanimously approved.

Christine — I will be in
Juneau Mar. 12 & 13 & would
like app't. to meet with you
& Senator Duceau

If there are any problems with this fax transmission, please call (907) 277-8696

Quana

TO: JIM DUNCAN
466-4748

FAXED 10:05 a.m.
3-7-96

FROM: JIM STOUGHTON

March 5, 1996

Senator Jim Duncan
Alaska State Capitol
Room 119
Juneau, AK 99801-1182

Dear Senator Duncan:

It's my understanding that you are introducing a bill for all insurance companies to pay for a prostate specific antigen or PSA testing for Prostate Cancer. I think this is wonderful and way past due for prevention and early detection of Prostate Cancer.

In addition, I recommend that you include coverage for a PAP test which is required if someone has an elevated PSA result. Also, please consider coverage for a penile implant. Many men lose the ability to obtain an erection after surgery due to nerve damage, including myself who underwent Prostate surgery at the age of 55.

I did not have any symptoms of Prostate Cancer, but it was discovered with the PSA screening done at an routine physical. Having had the surgery after a second opinion by a Urologist in Seattle, I have and will take for my lifetime a chemotherapy oral medication and a monthly injection. These two medications cost \$298.35 and \$523.25 per month.

The American Cancer Society promotes prevention and early detection. Having the insurance companies pay for the PSA screening which is approximately \$200.00 as likewise a PAP screening if required will save money and lives.

My coverage under the State of Alaska's Aetna plan will not cover a penile implant. Yet, the same plan will cover a breast reconstruction for a women that has had to undergo a mastectomy. The breast is a non operating organ. I do not resent this because there is also an psychological impact with either of these procedures for a cancer patient.

Please consider amending your bill to cover all of these procedures.

I would like to testify at the hearing, but unfortunately, I work for the Alaska Marine Highways and will be out on the ship. Please accept this letter as my testimony.

According to the American Cancer Society, Prostate Cancer incidence rates increased 50% between 1980 and 1990, largely due to improved detection. There was approximately 40,000

deaths in 1995, the second leading cause of cancer death in men, with lung cancer being number one. The 5 year survival rate for patients with prostate cancer diagnosed while it is still localized is 94%.

Sincerely,

Jim Stoughton

Jim Stoughton
4410 Riverside Dr.
Juneau, Ak 99801

SENATE COMMITTEE REPORT

First Committee of Referral

DATE: 2/2/96

FURTHER: Finance

Date of 5-Day Notice: 3/7/96
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 3/14/96

The Labor & Commerce Committee considered SB 253

Relating to insurance coverage for costs of prostate cancer detection.

and recommends:

- Φ
- be replaced with _____ CS _____ (_____)
 - adopt previous _____ CS _____ (_____)
 - attached amendment(s)
 - adopt Letter of Intent by _____ Committee
 - further referral to the _____ Committee

- Senate Bill: same title
- new title
- House Bill: same title
- technical title
- new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>John Ferguson</i>	✓				
<i>Duncan</i>	✓				
<i>Judy Sals</i>	✓				
CHAIR: <i>Tim Kelly</i>		→	✓		

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

DCED	3/7/96	X	
DOA	3/7/96	X	

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

SB

259

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: April 12, 1996

FURTHER REFERRALS:

Date of Committee Action: 4/22/96

The FINANCE Committee considered:

CSSB 259(HES)

CS FOR SENATE BILL NO. 259(HES)

COMMISSION ON AGING

"An Act extending the termination date of the Alaska Commission on Aging; and providing for an effective date."

recommends it be replaced [] the same title
 with the following committee substitute _____ [] a new title

[] additional referral to _____ Committee
 [] attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____ APPROVES PREVIOUS: (Dept/Date) _____
 [] fiscal note(s) _____ [] fiscal note(s) _____

[] zero fiscal note(s) _____ [] zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>Richard Foster</i>	X			
<i>Richard Foster</i>	X			
<i>Terry Martin</i>	X			
<i>Vic Kohring</i>	X			
<i>Ben Grossendorf</i>	X			
<i>Jay Brown</i>	✓			
<i>Mike Navarre</i>	✓			

CHAIR'S SIGNATURE *Mark Hanley*
Hanley

Richard Foster
Foster

HOUSE COMMITTEE REPORT

7/12/96
Finance

(7)
Date Referred to Committee: April 4, 1996

FURTHER REFERRALS:

Date of Committee Action: 4/11/96

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered:

CSSB 259(HES)

CS FOR SENATE BILL NO. 259(HES)

COMMISSION ON AGING

"An Act extending the termination date of the Alaska Commission on Aging; and providing for an effective date."

Recommends it be replaced with the following committee substitute _____ the same title a new title

additional referral to _____ Committee
 attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal note(s) _____

^{Senate} fiscal note(s) Adm 2/2/96

zero fiscal note(s) _____

zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>[Signature]</i>				
<i>[Signature]</i> G. Davis	✓			
<i>[Signature]</i> Rokberg	✓			
<i>[Signature]</i> Bunde	✓			
<i>[Signature]</i> Robinson	✓			
<i>[Signature]</i> Brice	✓			
<i>[Signature]</i> Toohay	✓			

36- CHAIR'S SIGNATURE

[Signature]
Bunde

TONY KNOWLES
GOVERNOR



P O Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500
Fax (907) 465-3532

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

259

February 1, 1996

The Honorable Drue Pearce
President of the Senate
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear President Pearce:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that would make the Alaska Commission on Aging a permanent commission, not subject to regular "sunset" review.

The Alaska Commission on Aging, formerly known as the Older Alaskans Commission, is due to expire on June 30, 1996. However, in a report regarding the Older Alaskans Commission dated July 30, 1993, the legislative auditor concluded that the commission should not be subject to sunset review because, among other reasons, the existence of such a commission is a requirement for the receipt of federal money. I agree that sunset review for this commission is not appropriate.

I urge your prompt consideration and passage of this bill.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tony Knowles".

Tony Knowles
Governor

2002
11/15/95
MS

STATE OF ALASKA

TONY KNOWLES, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

P.O. BOX 110200
JUNEAU, ALASKA 99811-0200
PHONE: (907) 465-2200
FAX: (907) 465-2135

April 16, 1996

The Honorable Mark Hanley, Co-Chair
House Finance Committee
Alaska State Legislature
Juneau, AK 99801

Dear Mr. Chair:

Please schedule for committee hearing, SB 259, "An Act removing the requirement for sunset review of the Alaska Commission on Aging; and providing for an effective date." The legislation was considered by the Senate, and an amendment was made to the legislation to adopt a sunset provision effective June 30, 2000. While this represents a much shorter time period than Legislative Audit recommended, the Senate committee members discussed the comfort level they felt with a continued review of all commissions, and that they were uncomfortable with the idea of having too long a time frame between reviews. There was discussion of the potential need to review the "sunset" statute itself, to possibly set up two tiers of review for sunset audits. This would allow Legislative Audit to do a less comprehensive review of boards and commissions where the Legislative Budget and Audit committee had no specific concerns. Such an approach would help reduce the resource demands for both the auditors and the agency being audited. It is because of those resource demands that the Governor originally recommended the elimination of this commission from the sunset review.

The Alaska Commission on Aging was established in the Department of Administration in July 1981. The primary functions of the Commission are:

1. To determine the appropriate amount of state and federal funds to allocate toward the purchase of needed programs and services for older Alaskans.
2. To advocate the needs and interests of older Alaskans at both the state and local levels.
3. To increase the coordination of state and local resources available to address the needs of older Alaskans.
4. To develop or expand services to older Alaskans as well as to ensure a more systematic and thorough approach toward helping them lead dignified, independent, and useful lives.

The Honorable Mark Hanley

-2-

April 16, 1996

Legislative Audit completed a sunset review of the Alaska Commission on Aging in the fall of 1995. The commission is scheduled for termination on June 30, 1996. The auditor's conclusion and recommendation was that the commission had met the various sunset criteria, as set out in statute, and should be extended to June 30, 2003, or alternatively be removed from the sunset review process. The arguments for removal from sunset review are elaborated in the legislative audit:

1. ACOA is required by federal statute;
2. ACOA has been operating effectively;
3. Option to review ACOA is always available.

Your early consideration of this request would be appreciated. If you have any additional questions, you should contact Jane Demmert, Executive Director of the Alaska Commission on Aging at 465-4879.

Sincerely,



Mark Boyer
Commissioner

MB/nn

cc: Jane Demmert

Alaska Commission on Aging

David Koivuniemi
Department of Administration

Alison Elgee
Department of Administration

Pat Pourchot
Office of the Governor

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit



P. O. Box 113300
Juneau, AK 99811-3300
(907) 465-3830
FAX (907) 465-2347

September 29, 1995

Members of the Legislative Budget
and Audit Committee:

In accordance with the provisions of Title 24 of the Alaska Statutes, the attached report is submitted for your review.

DEPARTMENT OF ADMINISTRATION
ALASKA COMMISSION ON AGING

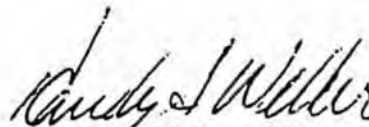
September 29, 1995

Audit Control Number

02-1433-96

Under AS 44.66.010 the Alaska Commission on Aging (ACOA) terminates on June 30, 1996. We recommend the legislature extend the commission until June 30, 2003. Alternatively, we suggest the legislature consider removing ACOA from the sunset review process altogether. We make this recommendation primarily because the receipt of federal funds under the Older Americans Act requires the State to maintain an agency such as ACOA to administer the funds and act in the interest of older individuals. This status makes ACOA similar to other state boards, councils, and commissions that are not currently subject to sunset review.

The audit was conducted in accordance with generally accepted government auditing standards. Fieldwork procedures utilized in the course of developing the findings and discussion presented in this report are discussed in the Objectives, Scope, and Methodology section on page one of this report.


Randy S. Welker, CPA
Legislative Auditor

AUDIT