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1975-1976

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1975/76

HIGHER

Ed.

alaska  
methodist  
university.

office of the president

February 27, 1975

The Honorable Bob Bradley  
Alaska State House of Representatives  
Pouch "V" State Capitol Building  
Juneau, Alaska 99811

*File - Higher  
Education  
Committee*

Dear Representative Bradley:

It has come to my attention that some legislators may have inaccurate information relative to Alaska Methodist University. A number of factual errors have been published recently in certain news media and/or in the January 1975 Higher Education In Alaska 1974-1975 by McLean Associates. In order that you may have accurate information for your anticipated decision making, I respectfully submit the following statements.

AMU purchased, between 1955 and 1962, a total of 505 acres of land. The land was acquired under the Recreation and Public Purposes Act, 43 USC 869, and under the regulations implementing that Act, 43 CFR Part 254. The land was acquired in accordance with the Recreational and Public Purposes Act at a reduced price based upon the appraised value of the land at the time and was not given to the University as has been indicated in the sources cited above.

The enrollment at Alaska Methodist University has not been declining in recent years. The fall semester 1974 total enrollment was 1564 headcount; 817 full time equivalents, not counting students cross registered from the University of Alaska, Anchorage, and 875 full time equivalents including cross registered students. These enrollments are the highest in the entire 15 year history of AMU. This has occurred in spite of our problems and bad press over the past many years.

Contrary to the McLean Associates report, I was not forced to select administrators from the existing faculty because of financial necessity. Three years ago, when I came to AMU, I was faced with, among other things, the recruitment and establishment of a second level of administration for the institution. Such a second level was clearly needed to accomplish necessary tasks, provide supervision, and to build a base for institutional continuity. In my judgment, it was not advisable to go Outside to find experienced administrators

Letter to Legislators  
February 27, 1975  
Page two

who would then have to learn about Alaska when we had, on our staff, highly qualified Alaskans who could learn to be administrators. Furthermore, an analysis of the relative costs of the two approaches clearly indicated that the second one would result in an annual saving of several tens of thousands of dollars.

Furthermore, everyone of the administrators, including the president, teach classes in order that we may better keep in touch with the main clientele of the institution, the students. Thus, we have built a system whereby more resources are brought to bear in decision making, and those making the decisions have continuing first hand experience with the main purpose of the University.

I hope this information will be helpful. As soon as we have the necessary data and the actions by the University of Alaska Board of Regents and the AMU Board of Trustees we shall be in contact with you.

Thank you for your continuing concern for improved higher education in Alaska.

Sincerely,



John O. Picton  
President

JOP:mb

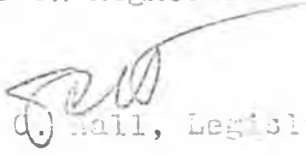
# MEMORANDUM

LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

POUCH Y — STATE CAPITOL  
JUNEAU, ALASKA 99811


TO: Members, Legislative Interim  
Committee on Higher Education

DATE: 10 April 1975

FROM: Stuart  Hall, Legislative Counsel

SUBJECT: Community College  
Advisory Councils

Attached for your reference, per the request at last evening's committee meeting, are copies of correspondence between this office and the University of Alaska relative to the origin and status of the community college advisory councils. Also attached is the currently applicable guidelines for the establishment and organization of the councils, adopted by the Board of Regents January 13, 1972, and amended in September 1973. The policy statement of the board also is included.

cc: Reps. Ostrowsky, Balcer, Miller, Parr,  Wendley  
Sen. Rohrer, Huber, Cookoff

January 14, 1972

TO: Regional Deans  
Community College Association  
Chairmen, Citizens' Advisory Committees

FROM: Dr. M. J. [unclear] Vice President for Public Service

At the meeting of the Board of Regents held in Huntsville on January 10-13, President Wood submitted for your consideration a Proposed Policy Statement on Citizens' Advisory Committees - in his capacity as Vice President for Public Service, a copy of which is attached. You will note that the proposed policy statement is relatively brief and did not attempt to set forth guidelines for the policy statement itself. However, we did develop a set of proposed general guidelines, based on previous input from previous community college directors, and advisory committee representatives with a view toward further refinement and ultimate inclusion in the University Information Manual.

The Board adopted the policy statement as proposed with the only change being the last sentence of the second paragraph on page two which was changed to read as follows:

"The local representatives of each college should be invited to represent an official membership of the committee."

Thus, the policy statement is now basically adopted.

The Board of Regents also reviewed the Proposed General Guidelines for Citizens' Advisory Committees and generally concurred with the guidelines as set forth. They suggested a few changes but there has been no reference to representation from alumni and military in addition to the other suggestions.

Please note that the proposed general guidelines are still open for further input but we do plan to finalize them at a meeting of community college directors which will be held in Huntsville on February 10 and 11. In our opinion one of the strong points of the proposed guidelines is (1) which provides that each committee adopt a simple set of by-laws and that each committee be authorized to adapt to best meet their local needs as they see them. Prior to the February 10-11 meeting of community college directors we suggest that each community college director carefully review the proposed general guidelines with their committee so that we may have more for the final draft.

As soon as the guidelines are finally drafted and approved by the President they will be officially issued and I am sure that the provisions in each region will proceed to work with appropriate people to implement the policy and guidelines.

January 14, 1972

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munity... (faint text) ...Community  
...of this paper will be helpful

1336  
... (faint text) ...

Proposed General Guidelines for Citizens' Advisory Committees  
(To be inserted on page 12 of Information Manual)

Note: These guidelines are written in the present tense to be consistent with the rest of the Professional Personnel Information Manual.

Citizens' Advisory Committees

Citizens' Advisory Committees established by the President under authority granted by the Board of Regents are formed and function under the following general guidelines:

- (a) Advisory Committees are designated by geographic location and usually serve for all University of Alaska administrative units within the area.  
(For example: The Juneau-Douglas Citizens' Advisory Committee serves for the University of Alaska, Juneau, including the Juneau-Douglas Community College.)  
Sub-committees may be designated by the Committee to serve specific purposes for specific administrative units.
- (b) Committee membership usually is held to not more than fifteen, exclusive of ex-officio members. Members are appointed to staggered three year terms with June 30 as the term expiration date. (Committees already in existence at the time of adopting the guidelines determined membership terms according to their own devices.)
- (c) The President seeks advice from the community concerned in originally establishing a committee and he requests nominations from the committee, as well as from the community, when making replacements.
- (d) Committee membership includes representation from the local school board, the borough and city government, organized labor and the professions, commerce and industry and minority groups.
- (e) Board of Regent members and the President are always considered ex-officio members of a citizens advisory committee. The regional Provost is an ex-officio member of any committee within the region. In community college locations the Community College Director is an ex-officio member and shall serve as secretary for the committee.

In areas served by an extension center the Extension Center Coordinator is an ex-officio member and serves as secretary. The local superintendent of schools is also an ex-officio member of the committee.

(f) Each committee adopts a simple set of by-laws for its own governance which includes:

(1) Regular meeting dates (at least quarterly) and the usual meeting place.

(2) Authority for calling special meetings.

(3) Provisions for preparing an agenda for regular and special meetings.

(4) Arrangements for keeping a record of discussions and actions, including a provision for routine transmittal of minutes to the appropriate provost, to the Vice President for Public Service, and the President.

(5) Delineation of specific functions within the broad framework noted in (g) below.

(6) Provision for selecting a chairman, vice chairman, and secretary at the beginning of each year (July 1).

(g) The function of the advisory committee is to advise University of Alaska representatives, the President, and the Board of Regents, through the President, on general and specific matters related to University of Alaska activities and programs in the particular area. The committee provides an important and invaluable communications link between the community and University representatives.

Within this broad framework a local citizens' advisory committee is usually involved in the planning of educational programs and necessary facilities for such programs, the development of total program budgets, the evaluation and assessment of programs, and the development of policy recommendations for the consideration of the President and the Regents.

The Provost in each region, on behalf of the President, is responsible for providing leadership and consultant service to advisory committees within the region. The Vice President for Public Service is responsible, on behalf of the Office of the President, for maintaining liaison with the Provosts with regard to advisory committees.



represented by the President, and through the President the Board of Regents. The Board and its President may not delegate legal authority to such committees.

Members of the Board of Regents are ex-officio members of such committees. The President is an ex-officio member of each advisory committee. The regional Provost is an ex-officio member of each committee within the region. The Community College Director is an ex-officio member and shall serve as secretary for the committee in a community college location. The local superintendent of schools is also an ex-officio member of the committee.

The President shall report to the Board periodically on the composition, status, and the advice and recommendations of the committees.

Note: The Date: has been varying with the provosts and community college directors, with input from advisory group members, toward developing general guidelines for citizens' advisory committees. The attached is the latest draft but not yet ready for final adoption. When a final draft is approved we please that it be incorporated into the revised Regional Information Manual on page 14 just preceding the section on "Channels of Communication" under a sub-heading, Citizens' Advisory Committees, and that copies be provided to each current and future advisory committee member.

The recommendation of the proposed policy statement set forth by the President is:

ADOPTED BY THE BOARD OF REGENTS SEPTEMBER 1976

Citizens Advisory Committees

Concurring with the recommendation of the Executive Officer of the Board and the Educational Policy and Program Committee, Regent Madsen moved, seconded by Regent Robertson, and passed unanimously that:

"The Board approves the deletion of the first 2 sentences of paragraph 4 of the policy statement on Citizens Advisory Committees, adopted by the Regents on January 10, 1972, 'Members of the Board of Regents are ex-officio members of such committees. The President is an ex-officio member of each advisory committee.' The first sentence of section (c) of the policy guidelines should be deleted to be consistent with this policy change."



UNIVERSITY OF ALASKA

COLLEGE ALASKA

November 17, 1971

RECEIVED  
NOV 18 1971

Mr. Stuart C. Hall  
Legislative Counsel  
Legislative Affairs Agency  
Pouch Y, State Capitol  
Juneau, Alaska 99801

LEGISLATIVE AFFAIRS  
AGENCY

Dear Mr. Hall:

The first community college citizens' advisory group was authorized by the Board of Regents in their meeting of May 22, 1965, in the following motion:

"Regent O'Neill, seconded by Regent Conway, moved after due consideration that the President of the University be directed to invite outstanding citizens of the Anchorage community to serve on a Citizens' Advisory Group for the Anchorage Community College. The motion carried unanimously."

On June 1, 1965, I extended an invitation to approximately fifteen prominent citizens of Anchorage who would be able to provide information concerning both educational and manpower needs in the area. The attached invitation was issued. As I recollect, all who received the invitation accepted. I attended the first meeting of the group and discussed in some detail the nature of the assignment and explored possible ways in which the Advisory Group could be most effective in bringing into being an adequate higher educational program tailor made for the Anchorage situation. Deans of the Anchorage Community College or Provosts, Deans and Deans subsequent to their appointments have attended the meetings. Assistance in compiling the minutes and Advisory Group recommendations has been provided by the Office of the Provost or the Office of the Dean.

Based upon the model used by the Anchorage Community College Citizens' Advisory Group, the Regents have similarly directed that an Advisory Group be formed for each of the community colleges that is a part of the University of Alaska: Kodiak, Kotzebuk, Juneau, Matanuska-Susitna, Kodiak and Sitka, as well as for the proposed Tanana Valley Community College.

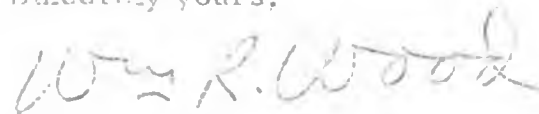
Mr. Stuart C. Hall

-2-

November 17, 1971

These Advisory Groups have operated in a very capable manner and have been exceedingly helpful to the University of Alaska in developing higher education programs in their respective communities.

Sincerely yours,



William R. Wood  
President

WRW/kb  
encl.

June 1, 1965

Personal

Mr. William Scott  
Vice President  
Anchorage Chamber of Commerce  
Anchorage, Alaska

Dear Mr. Scott:

On behalf of the Board of Regents of the University of Alaska, I am privileged to invite you to serve as one of approximately fifty members of a Citizens Advisory Group for the Anchorage Community College, and other University of Alaska programs in the Greater Anchorage area.

The basic purpose of this Citizens Advisory Group would be to advise the President of the University, and through him the Board of Regents, on the types of instructional programs that the University of Alaska should provide in Anchorage and the means of gaining support to make such programs possible. In other words, the primary function would be both short range and long range planning of the overall public higher educational program and working to support its accomplishment for the benefit of Anchorage and the State.

As has been set forth in a series of articles appearing in the Anchorage News and elsewhere, there is a critical need for the development of future public higher educational opportunities in Alaska, particularly in the Anchorage area. A copy of this series of articles, "Youth, College and Jobs in Alaska" is enclosed for your information. I do hope that you will find the time to read each of the half dozen sections, particularly the last one beginning on page 29 entitled "Quality Education for All at Lowest Possible Cost". I am sending along also a copy of our most recent catalogue, a section of the Daily News Mirror Progress Edition dealing with the University, and an unpublished article from the Association of State Universities and Land-Grant Colleges, "Community Branches of State Universities".

June 1, 1965

These materials provide information that will be helpful in discussions of the Citizens Advisory Group.

I do hope that it will be possible for you to accept appointment to the Citizens Advisory Group. Your good counsel on the critical matter of adequate public higher education in the Greater Washington area would be of very great service to your University and your community.

Consequently, the first meeting is being arranged for Wednesday evening, July 7, with the exact time and place to be announced later.

Sincerely yours,

William T. Wood  
President

WTW/ll  
llw.

STATE OF ALASKA  
THE LEGISLATURE  
LEGISLATIVE AFFAIRS AGENCY

*Community Colleges  
Act*

FOURTH FLOOR STATE CAPITOL  
JUNEAU, ALASKA 99801

November 12, 1971

Dr. William R. Wood, President  
University of Alaska  
College, Alaska 99701

Dear President Wood:

Would you, or a member of your staff, be kind enough to forward to this office a copy of the Regents standing order, rule or policy concerning the creation of, appointment to, powers and duties of the local advisory boards to the community colleges.

A resolution of the legislature has requested information, and we have no statutory material governing the formation and operation (AS 14.40).

We would appreciate your assistance in this regard.

Very truly yours,

Stuart C. Hill  
Legislative Counsel

SCH:lr

ALASKA  
STATE LEGISLATURE

MEMORANDUM

April 3, 1975

TO ALL MEMBERS OF THE INTERIM SUBCOMMITTEE ON HIGHER EDUCATION

Meeting will be held on Wednesday evening, April 9, at 7 pm  
in the House HESS committee room on the first floor of the Capital.

Dr. Sarafian will be present.

- AGENDA:
- (1) Resume of actions on HB 142, 143, 144.
  - (2) SB 239-240 Post-secondary Education in Rural Areas.
  - (3) AMU-U of A Settlement.
  - (4) U of A - Sheldon Jackson Consortium.
  - (5) 1202 Commission.
  - (6) Miscellaneous.



# SHELDON JACKSON COLLEGE

P.O. BOX 479  
SITKA, ALASKA 99835

April 2, 1975

Mrs. Sue Greene  
Assistant to the Governor  
Governor's Office  
Juneau, Alaska 99801

Dear Sue,

Attached you will find a summary report which I presented to the Board of Trustees in late January. In the press of time, I haven't been able to get additional information drafted, but thought that this along with the other material which we gave you on our programs might be helpful.

I am also enclosing a summer school brochure and bulletin. Several of us had drafted some specific recommendations for the Governor, his staff, and various key legislators. The President will be sending this shortly and may be in Juneau to discuss those matters with you.

I am looking forward to having a few hours in Juneau to contact you on the morning of April 4th. I will be staying over night with the Rev. Ken Smith in Auke Bay if for some reason you wanted to contact me in the evening hour of the 3rd.

We appreciate your support and interest in our program. In the past, we probably haven't done the best job of keeping people informed as we have gone about our business. However, we realize that we will have to do a more effective job of keeping interested parties informed.

Sincerely,

Charles C. Bovee, Ed. D.  
Vice President for Academic Affairs and Dean

CCB:nm

Enclosures: 1

cc: Dr. Helen Beirne  
Representative Brenda Itta  
Representative Jim Duncan  
✓ Representative Bob Bradley

MEMO TO: Dr. Merton D. Munn  
FROM: Dr. Charles C. Bovee  
DATE: January 24, 1975  
RE: SUMMARY REPORTS FOR THE BOARD

The following report covers very briefly the status of the various areas listed in the agenda for the Executive Committee meeting of January 24 and 25. I will be glad to respond to any questions that the Committee might have. As you know, the Administrative Council has evaluated most of these programs several times this year to determine whether or not they are in line with the planning and projections for this academic year. In addition, most of the areas have been reviewed for program planning for next year, with various recommendations from the Administrative Council.

#### Home base

The on-campus educational program has remained fairly stable over the past few years with clearer lines of delineation of responsibility between Sheldon Jackson College and Sitka Community College. In the fall report to the Board, it was noted that the courses have been controlled to avoid undue proliferation. This spring we will be offering 56 courses, and we anticipate 130 full time students, and probably 60 part time students on campus. I believe we need to improve our on-campus instruction, and our Title III proposal has a section calling for a faculty workshop on improving instructional technique for Summer 1975. In addition, we need to strengthen those programs which are unique to Sheldon Jackson College, and especially to explore these in the light of a possible four year curriculum. The Administrative Council did have initial discussion on the prospects of a four year college program, beginning possibly in the area of education, to complete our present program with those receiving an A. A. degree in the villages. I believe we should also seriously consider the four year program in such fields as aquaculture, natural resources, anthropology, linguistics, native studies, and external education programs.

#### Teacher Aide

In 1973/74 the Teacher Aide Program was fully funded with \$209,000. This year we were only able to support nine communities with the federal program, and had to develop a non-federal program with six communities, supported by state tuition grants and other sources of funding. This development has probably been helpful, as it forces us to use creative ways to pursue the program without dependence upon federal funds. Marlene Lund, the new director, has done an excellent job of organizing and administering this year's program. We have written several proposals for this coming year to aid in the continuation of the program, and developing an upper division program for the third and fourth year so that we might insure that people receiving their Associate of Art education can receive their Bachelor's degree. The Administrative Council evaluated

the Teacher Aide program, and felt that, with the combined federal and non-federal support, it was providing good educational service and, in fact, brought income to the college.

#### Foreign Study

The first semester of our foreign study program in Spain went well considering the newness of the program and staff. Student retention was unusually high. We lost several students in the last few weeks due to social problems, and they were asked to come home. The response of those returning from the Spain program were positive, with a number of students expressing an interest in returning to Spain this spring. We discouraged this because we felt that our spring program would be too similar to the fall program, and we could not give them sufficient programs to stimulate their interest and learning. The year program was budgeted on sixty students and we had 24 go in the fall semester, and are anticipating 33 at the present time for the spring semester. This program has proven to accomplish our intended goals which were educational as well as economical. The students experienced a high degree of cultural shock, which we hope to tap for a more serious consideration of the meaning of their own culture. Economically, it has been beneficial to attract students to Sheldon Jackson College. The Administrative Council has discussed this many times, and feel very strongly that our student body would not have increased this year had we not had the foreign study program. We had a mild crisis when two of our counselor/teachers resigned for second semester early in January. However, we have been able to replace them. Mary Sandoval, administrative assistant, married to a Spaniard in Madrid, is on campus to help prepare for next semester. Darrell and Jan Moore are going to Spain for the first three weeks to help get the second semester off to a good start. In discussing this program for 1975/76 we are proposing that a one-semester foreign program be initiated for the spring.

#### Bilingual Program

Vesta Dominicks, over the past two years, has done an excellent job in identifying needs for bilingual education throughout Southeast Alaska and fostering them, particularly in nine of the native villages. This program was partially funded under the Teacher Aide program last year, but received more support this year. She has visited the various villages to assess their needs and help them in identifying local teachers to stimulate the program in the villages. In addition, she has been involved in materials development. Last year she was responsible for developing the Tlingit/Haida workshop along with Elaine Ramos. The Administrative Council feels very strongly that our native studies program directed by Mr. Davis and the bilingual education program directed by Vesta Dominicks should receive continued attention and support, and that Sheldon Jackson College should be the hub of preparing teachers and materials to stimulate the language throughout Southeast.

### Aquaculture

This program, funded under the Hill Family Foundation, has progressed well under the direction of Derek Poon and his staff. They have stimulated a great deal of interest and received input by having weekly seminars with various professional individuals throughout the State of Alaska participating. They have been able to video a number of these presentations for future reference. In addition, they have had a technical advisory committee which has guided the project, and they will be completing the building and the development of the plant along with recruiting students during the rest of this year to prepare for the initiation of the curriculum and plant operation in the fall 1975. This continues to be an exciting project, and they have sought out other funds and cooperative relationships with the Alaska Department of Fish and Game. We believe with our location, and the need for the renewable resource of fish, that this will undoubtedly become a major program for the school in the future. The Administrative Council heartily supports this program, and encourages further development of it. We have received encouragement in this project by many people in Juneau when we were there for the inauguration of the Governor, and had a chance to meet government administrators and legislators.

### Flight Program

A year ago we decided to go with a one-man flight program this year, obtaining additional flight instructors on a part-time basis. The program has had more difficulty this year, both in organization and operation. This is primarily due to our flight director, who has not had as much experience as our previous director. The Administrative Council has discussed the pros and cons of continuing this program next year, and some of these factors are reflected in the budget and assumptions attached to the 1975/76 budget. Although this program has been popular and attractive, and undoubtedly has drawn some students to Sheldon Jackson College, it continues to escalate in cost and has limited funding resources other than Veterans Administration and private sources. Possibly, if we could get the right director for the program, who would not only develop it but recruit students for it we could continue the program. However, we need to look at this program very carefully as it relates to next year's planning.

### Forestry

The forestry program has continued to have steady support with 6 to 10 students enrolled in the forestry program. Jim Wilson has done an excellent job in developing this program along with his work in the science department. He has been directing the National Science Foundation grant we received, which will enable us to improve our science facilities as well as improve some of the operations in the forestry field. Some of these funds will, in addition, be used to assist in plant development which can be used in the aquaculture program as well. Jim does not feel that this

is a program that we could realistically consider for a four year program, since there is a great deal of cost involved in the last two years. This particular program has not been discussed, perhaps because we assumed that it would continue because of the favorable response and effectiveness of the program.

#### Barrow

Over the past year Sheldon Jackson College, along with Antioch College, has been involved in developing a higher education degree program for the North Slope Borough at their request. In addition to the direct request of the Barrow mayor, the borough assembly, the North Slope Arctic Regional Corporation, and the Barrow school board, we have had encouragement from the University of Alaska administration to initiate and be involved in the project, and the project has been looked upon favorably by the Commissioner of Education and by a number of legislators and by the Governor's staff. Our involvement in the North Slope at this time probably is one of the best demonstrations of the role a private institution can play in responding to educational needs. There have been several major developments and road blocks during the last year, but the project is being implemented for the winter and spring quarter. In March 1974 initial discussion on educational needs assessment occurred in Barrow with the conclusion that there was a need for higher education on the North Slope in certain areas of study, including education, business management, public administration, health and Inupiat culture. A further developmental stage occurred in April with specific students being interviewed for needs assessment. During the summer months a degree program was developed, based on this analysis. Initially, the program was scheduled to begin in October, but was delayed due to legal questions raised by a possible violation of the state constitution and state law. The legal questions have been resolved, and the Borough assembly recently developed a tuition grant program for the Borough, along with the incorporation of an Inupiat council as a fully incorporated body to act as an administrative body to contract with Sheldon Jackson College and Antioch. The Administrative Council discussed the Barrow project at great length and unanimously recommended that we retain our involvement. We should anticipate some direct income over and above the consulting fees they have been paying for our services.

#### ARTTC, X-CED

The Alaska Rural Teacher Training Corp, presently known as the Cross Cultural Education Program, has been functioning in Southeast under a contract which we received from the Department of Education. Last year when we discussed this prospect we believed that our Teacher Aide program which covers the first two years of an education program, and the ARTTC program which presently covers the last two years of an education program could be coordinated in such a way as to avoid duplication in an economically efficient way. However, there have been many complex

page five

problems related to this since there are five other centers receiving a great deal more money than we are to run their program, and the number of students that they can take out of our Teacher Aide program after receiving their Associate of Arts degree is very limited. Therefore, we need to evaluate not only this program to make sure that we are not over-expending due to pressures put on by the University of Alaska staff, but we need to evaluate the model for next year. Our present recommendation is to utilize our resources on a contractual basis, but have the major operation of the program operated out of the University of Alaska.

SHELDON JACKSON COLLEGE  
Summer School '75

The following bulletin announces the course description and resume's of the professors for the 1975 Summer Sessions. The upper division and graduate courses will be granted through a cooperative arrangement with WHITWORTH COLLEGE (WC) in Spokane, Washington. The schedule identifies these courses. There will also be several courses each session sponsored by the University of Alaska.

SESSION I June 2 - 20

- Soc Sc 351/551 The Nature of Culture This course will focus on a discussion of the development of culture in various societies both primitive and modern. It consists of bringing together the culture of the Northwest Coast Indians compared with the mediaeval societies of Europe, especially in the expression of their culture through their arts. 3 credits WC  
DR. ERNA GUNTHER Professor Emeritus at the University of Washington and a noted authority on natives of the Northwest Coast, author of several books and numerous articles, she has spent many summers and much of her spare time at the Sheldon Jackson Museum organizing and cataloguing the artifacts.
- Biol 364/564 Human Genetics A course designed for individuals in health professions and teachers of health and related science areas. The primary purpose is to familiarize students with the role of genetics in human health and disease. Mitosis, meiosis and simple Mendelian gene transmissions will be reviewed and differences between man and some other animals emphasized. 3 credits WC  
DR. RICHARD LYONS Coordinator of WAMI (Washington, Alaska, Montana, Idaho) Medical Education Program and Professor of Medical Sciences University of Alaska; previously Chief, Biomedical Sciences Branch, Public Health Service, Arctic Health Research Center, Fairbanks, Alaska.
- Hist 472/Grad\* The Era of the American Revolution: History for the Bicentennial There will be four areas covered in this course; the colonial opposition to British policies, 1763-1776; the War for Independence, 1775-1783; the organization of a central government, 1776-1789; and how revolutionary was the revolution? A course designed to stimulate and prepare students for the coming of the Bicentennial. 3 credits WC  
DR. RUSSELL SAGE NELSON, JR Professor of History, University of Wisconsin at Stevens Point who has a special interest in the American Frontier and the American Revolution. He recently co-edited with David R. Wrone, Who's the Savage? a documentary history of the mistreatment of the native North American.
- Ed 414/Grad\* Early Childhood Education This seminar in early childhood education will focus on topics ranging from furniture to philosophy. Concepts from major developmental theorists such as Jean Piaget will be introduced. Young children's learning experiences in the home, infant stimulation centers, day care programs and headstart will be explored. Students with experience in early childhood education will be encouraged to share their expertise with the seminar. 3 credits WC  
DR. MARGARET STEWARD Assistant Professor of Psychology, School of Medicine, University of California at Davis with teaching experience at Emory University and actively involved in research with numerous articles published on early childhood education.
- Soc 354/554 Family Relations This seminar will focus on family relations using the psychosocial theory of Erikson and communication theory of Watzlawick, Jackson, and Bateson. The developmental theory will allow the in-depth exploration of individual case studies. The systems theory will allow examination of the

\* Although graduate numbers are not listed, these courses can be taken for graduate credit.

patterns of interaction in which individual family members participate within the larger family system. The format of the course will include a lecture, demonstration, interviewing, and a creative workshop. 3 credits WC  
DR. DAVID S. STEWARD Associate Professor of Religious Education, Pacific School of Religion and Graduate Theological Union, Berkeley, California has engaged in research, written articles and held workshop in the areas of religious education, child development and family relations. Prior to coming to Berkeley he was Assistant Professor of Christian Education at Candler School of Theology, Emory University in Atlanta.

Educ 417/517 Teaching of Reading A course primarily aimed at elementary school teachers although the principles involved can be applied to other aspects of the teaching of reading. It consists of the development of reading programs with special attention to continuity of growth in reading skills through the various developmental levels. 3 credits WC  
DR. MARIANNA BUNGER Professor of Education since 1968 at Alaska Methodist University has had a wide experience in elementary education with a special interest and experience in application of early childhood education and reading in Alaska communities having served as a consultant on various projects and development of curriculum.

Art 255 Art Workshop This is a workshop designed primarily for artists who have had some instruction and who wish to work and share with other artists under the direction and encouragement of an Artist in Residence. Times can be arranged. Encouragement from one another and suggestions and guidance by the instructor will assist further development of students. 1-2 credits SJC  
CLAIRE FEJES A native of New York, she received her art training at the Newark Art Museum and at the Art Students League of New York and has taught in New York, Fairbanks Public Schools and the University of Alaska. She has had one man shows in the Frye Art Museum in Seattle and the Roko Gallery in New York and is the author of a book The People of the Noatak, illustrated by her.

Music 294 Music Appreciation This course uses the Summer Music Festival as a basis for music appreciation. The instructor discusses the music to be presented with some historical and technical aspects designed to increase the appreciation for the evening performances. Students are welcome to attend practices of the artists on campus as they prepare for the performances. 1 credit SCC  
PAUL ROSENTHAL Lecturer in violin at the University of Alaska in Anchorage is the violinist, music director, and inspiration of the Sitka Summer Music Festival and has studied under Jascha Heifetz, and has been laureate in international competition in Brussels, Helsinki and Moscow.

#### SESSION II June 23 - July 11

Biol 339/539 Marine Biology of Sitka Sound A discussion of biological principles as illustrated by marine plants and animals. Natural history, ecology, distribution and identification of the common species of nearby coastal areas. Consideration of various marine environments and ecologic factors along with principles of conservation and resource development. Underwater observation will be possible for qualified divers who bring their own equipment. Diving is not a requirement for the course. 3 credits WC

DR. RICHARD NEVE' Director of the University of Alaska's Seward Marine Station and Coordinator of the Shore Programs and Professor of Marine Science of the University of Alaska with five years experience in Alaska from the Southeast to the Bering Sea with extended research in aquaculture.

Biol 343/543 Pollution Biology: Silver Bay Revisited The course will cover the evolution of Silver Bay after the locating of the pulp mill and consists of comparing pre-mill status in original pristine state and the state at the present time, and shall examine the matter in which base line environmental studies conducted prior to the establishment of the mill have been used or not used to establish environmental control. There will be a discussion of the significance and values of water quality criteria in terms of their effectiveness or lack of effectiveness to protect the biology of the bay. There will be lectures and workshop field approach. This will be a two week course from June 30 - July 11. 2 credit WC

DR. PAT WENNEKENS Supervisor of the Coastal Habitat Protection Programs for The Alaska Department of Fish and Game having received his B. S. in Fisheries and Ph. D. in Oceanography at the University of Washington with experience in applied oceanography and marine pollution.

Biol 353/553 Marine Embryology A study of the planktonic larvae and the development of eggs and embryos which can be obtained and collected from local intertidal organisms. There will be lectures and discussion on basic developmental processes and field trips to obtain the material necessary for the study. 3 credit WC

DR. ROBERT BACON Professor of Anatomy, University of Oregon Medical School who previous to present appointment was Associate Professor of Anatomy, Johns Hopkins University and who helped initiate the Marine Biology Society of Oregon.

Jour 321/521 Clear Writing for Easy Reading The how and why of concise writing that will catch reader attention and convey the message with clarity. Designed to be helpful in all types of writing. The course will include reasons for various types of reader reaction. 3 credits WC

PROF. KEN BYERLY Professor Emeritus in Journalism, University of North Carolina, author of Community Journalism, a college textbook and former member of the Wyoming Legislature and owner-publisher of the Lewistown News-Argus.

Ed 407/507 Health Teaching Approaches A course covering approaches to health teaching for elementary and high school teachers. The course will focus on philosophy concepts, behavioral objectives and community resources and processes. 3 credits WC

DR. FRANCES SIMMONS BYERLY Previously Associate Professor in the Department of Health Administration School of Public Health, University of North Carolina with experience in continuing education and research in health education and public health.

Soc 356/556 Parent Effectiveness Training This seminar after a brief look at historical patterns of family relations will focus on parenting issues of contemporary families. The role of multiple generation and extended family will be examined. The families function in the development of cognitive and emotional maturity for their children will be examined. We will also explore the issues faced by families attempting to maintain and transmit ethnic values in the midst of rapid social change. 3 credits WC

DR. MARGARET STEWARD & DR. DAVID STEWARD ... team teaching. The resumes of these professors can be found under the First Session descriptions.

Anth 230 Natives of Alaska A study of the aboriginal peoples of Alaska - -  
Aleuts, Athapascans, Eskimos, Tlingits - - - with their ways of life and  
their present prospects. 3 credits SJC  
ESTHER BILLMAN Curator and Director of the Sheldon Jackson Museum and  
Instructor in Anthropology at Sheldon Jackson College.

#### General Information

Pre-registration is encouraged to assist in final plans and arrangements for books and classroom space. There is a \$15 registration fee for any students not previously enrolled. Tuition will be \$47 per credit for SJC courses (lower division) and \$53 per credit for Whitworth College (WC) courses (upper division and graduate credit). Alaskan students are eligible for tuition grants for SJC courses which may include the courses listed at the upper division and graduate division. Room and board will be \$72 per week. Since housing is limited, requests for housing early is encouraged and a \$15 deposit is required. A modest scholarship of \$10 will be awarded to any student registering prior to May 1.

Final registration is scheduled during the first day of classes in the Registrar's office. Students may drop by during their free time to complete registration. Classes will meet daily Monday through Friday. After the first day of class, specific hours will be arranged for class hours by the professor and students.

Travel arrangements by air or ferry should be made early. The College will have someone to meet the planes and ferries, but we would appreciate a postcard informing us of arrival dates. The temperature in Sitka in June is usually in the 60's and seldom higher than 74°. Although June can be clear, sunny and beautiful, it can also rain, so come prepared with overshoes and rain gear.

For additional information you may write:

Registrar,  
Sheldon Jackson College  
P O Box 479  
Sitka, Alaska 99835

Minutes of SUBCOMMITTEE ON HIGHER EDUCATION

March 13, 1975...7:15 p.m.

House HESS Committeeroom

Present

Senators Hohman  
Huber

Representatives

Beirne  
Miller  
Parr  
Bradley  
Ostrosky(Chairperson)

Dr. Armen Sarafian Consultant  
Mr. Stu Hall Legislative Affairs Agency

Absent

Senators Sackett

AMU PURCHASE

There was a question to the committee which Dr. Sarafian felt would be raised by the AMU Board. How would the one and three/quarters million, or three million initial down payment be transferred to cover the cash flow needs of AMU from mid-April to the end of the academic year.

Senator Huber noted that an Appropriation-Authorization Bill would have to be submitted and approved by the Legislature.

Senator Hohman noted that time was a crucial factor.

There could possibly be sharing between the U of A and AMU to meet the "human needs". Senator Huber raised the question of whether the U of A could transfer monies which had been appropriated to it.

Senator Huber made note of a February 3 meeting between the AMU Trustees and some Legislative Leaders, the meeting had been called by Governor Hammond.

I-50\*

SALE OF AMU PROPERTIES

There was some discussion of the AMU Boards earlier proposal to

withhold central acreage from the property package. Dr. Sarafian noted that the Board had come far since that point and indicated that that may no longer be their position. He further noted that, after the sale, the U of A, rather than the state would deal with HUD.

Dr. Sarafian noted that there might be forgiveness for part of the bonds and cited examples in other areas of that happening but did not indicate that there could be total forgiveness of the bond.

I - 200

I - 475

Could some of the construction bonds for the proposed Student Center be applied to the purchase? There was some discussion and a Motion was made by Rep. Bradley, seconded by Rep. Beirne, to "Within the next several days pursue whether bond monies can be utilized to put part or full down payment on the AMU facility." MOTION PASSED

Dr. Sarafian and Stu Hall planned to check on the matter. Dr. Sarafian also planned to talk with Dr. Hiatt regarding

1. Bid schedule information
2. How the purchase would fit into the UAA building plans.

Use of the newly acquired buildings was discussed.

Dr. Sarafian noted that problems of transferring student credit hours and accepting AMU students into UofA programs were being worked out by professional committees from each of the universities.

I - 600

#### CONSORTIUM LIBRARY

Representative Beirne outlined the cutbacks in the Consortium Library program, these were noted in relation to the increased demand for use of the facility.

Since \$250,000 appeared in the proposed bond, for books, Dr. Sarafian said that he would check to see if the cutbacks from the General Fund were made with the expectation that the Bond Issue would help make up the difference.

There was some discussion on the priorities of the Consortium in relation to the other Higher Education Programs and programs in other fields funded by the state.

Representative Beirne noted that, of the \$600,000 cut out all but \$57,000 was to have been for library materials. Even this investment she noted, would not have brought the library up to standard.

Senator Parr noted that along with the new materials additional staff would be needed to process the materials for use.

I - 850

Dr. Sarafian said that the library should be upgraded soon to keep the academic credentialing standards of the University up. He further mentioned that at an early date the committee ought to have a recommendation and a legislation proposal related to some kind of supplemental authorization.

Dr. Sarafian said that he would check into the specifics of the Consortium Library Cutbacks.

I - 870

COMMUNITY COLLEGE BILLS

Stu Hall noted that HB 144 is a modified form of earlier proposed legislation.

There was some discussion of the proposed role of the Executive Vice President: to be in charge of rural campuses, to act as liason officer, to take over the extension offices.

There was further discussion on the difference between Extension Centers and Community Colleges and the relationship of these educational units to the larger State Higher Education System.

I - 1100

There was a Motion by Senator Hohman to "Take advantage of Dr. Sarafians' experience for him to look at the Community College funding formula in relation to the 1976 requests." Rep. Beirne seconded. MOTION PASSED

Representative Miller raised the point of strengthen the role of the Local Advisory Boards. This was followed by a discussion of the roles of the Local Advisory Boards, The University Board of Regents, and the Subcommittee on Higher Education, and their interrelationship.

Dr. Sarafian talked on the possible impact on the State Higher Education System after the Alaska Methodist University Closes. He also mentioned the possibility of increased pressure for a split between the University system and the Community College system.

II - 200



Representative Bradley presented a motion, seconded by Rep. Beirne, "To have a worksession with the Board of Regents to develop discussion on Higher Education in Alaska, College Advisory Boards, and other matters, bringing out resolutions, bills, and working papers." This worksession would be planned prior to the confirmation hearings in the Senate HESS Committee. MOTION PASSED

II - 700

Representative Miller raised the point that the Juneau Community College is not meeting the two year college needs of the youth in the area and many young people are going outside the area to continue their education after High School.

Dr. Sarafian mentioned the possibility of the Alaska Higher Education System developing a program similar to the "University Without Walls", in other areas.

The meeting adjourned at 10:30 p.m.

\*

The meeting was tape recorded and the numbers in the margins note where on the tape each portion of the meeting appears.

Papers

HIGHER EDUCATION IN ALASKA A Report With Special Reference  
to Institutions in Anchorage September 1972 E.L. McLean and Assoc.

HIGHER EDUCATION IN ALASKA A Report Based upon Follow-up  
visits to Sitka, College, and Anchorage January 1973  
E. Lee McLean and Assoc.

HIGHER EDUCATION IN ALASKA A Report With Special Reference to the  
Community Colleges. January 1974 Mc.ean Assoc.

HIGHER EDUCATION IN ALASKA A Study With Recommendations January 30,  
1974 E. Lee McLean and Assoc.

HIGHER EDUCATION IN ALASKA 1974-1975 January 1975 McLean Assoc.

Letter to Rich Gutherie, Fiscal Analyst from Robert W. Hiatt  
President of the University of Alaska.

Chapter 14. Items 25-37 SESSION LAWS 1974 (read in meeting)

ROBERT W. HIATT  
PRESIDENT



UNIVERSITY OF ALASKA  
OFFICE OF THE PRESIDENT  
FAIRBANKS, ALASKA 99701

April 1, 1975

Representative Bob Bradley  
Pouch "V" State Capitol Building  
Juneau, Alaska 99811

Re: Professional Salaries, University of Alaska

Dear Bob:

Each year a comparison of the University's salaries is made with comparable institutions in the "lower-48". During the 1974 Legislative Session these salary figures indicated that the average University of Alaska salary would have to be raised 20.9 percent to meet the Regents' goal for the University's salaries. This goal--to achieve the average of salaries paid to comparable institutions in the "lower-48" plus the Alaska cost-of-living differential--is both modest and realistic.

The salary schedule for state employees which included an area cost-of-living differential was funded by the Legislature in 1974 for all State employees except the University's professional staff. The University's classified staff are receiving the area cost-of-living differential. The Contract negotiated between the University and the Community College teachers (ACCFT Local 2404) contains a provision for an area cost-of-living differential, for which the funds for FY 75 are requested in SB 76. For the remaining non-union professional staff this area cost-of-living is herewith requested. The sum required for non-bargaining unit professional staff retroactive to 1 September 1974, (the date at which this area COLD is to begin for those covered by the Union Contract) is \$1,607,984. This amount is inserted at point "I-G" in Attachment 1.

The Regents in May 1974 approved a ladder-type salary schedule for professional employees, the first ever at the University of Alaska. Correct placement on the schedule according to educational qualifications and experience will require \$120,254. This will correct any discrepancies in placement resulting from prior salary placements for those whose salaries are now below their appropriate level. Those who have salaries higher than their correct placement will be retained at their current salary until the schedule catches up with them. We were thwarted in this necessary adjustment last year because the salary raises were ordered "across-the-board." We request this amount aside from any across-the-board increases to regularize our staff pay.

# UNIVERSITY OF ALASKA

Page Two  
April 1, 1975

Detailed analyses presented in Attachment 2 indicate that our non-bargaining unit professional staff salaries presently rank below the 10th percentile among state universities (see Table VII). If the same salary raise figure were used for our non-bargaining unit professional staff as was finalized in the contract for the community college faculty (7.7% starting 1 September 1974) the salary level would fall within the 50th percentile. The cost for accomplishing this step would be \$1,343,799 ("I-I" in Attachment 1).

May I draw your attention to the Community Colleges section of Table VII for Category III institutions (the same as our community colleges, but in the West Coast states where community college salaries are highest in the nation). You will note that prior to application of Contract raises, the community college faculty salaries rank in the 20th percentile. With the first of three separate salary adjustments decided by binding arbitration (7.7% effective 1 September 1974) the salaries would rank in the 60th percentile.

The Contract arbitration awarded the community college faculty two additional salary adjustments (10.7% on 1 January 1975 and 9.7% on 1 July 1975) which place these faculty in the 80th percentile of West Coast community college salaries.

Because the Regents have consistently employed a policy of equal treatment for all University of Alaska faculty, I herewith request the Governor and the Legislature to provide equal treatment across the board for our professional staff. Thus, to be consistent with the 1 January 1975 salary increase for community college faculty, the non-bargaining unit group would, in addition to the 4% cost-of-living escalation effective 16 February 1975, require 6.4% additional. This would require \$708,043 ("I-J", Attachment 1). Please note that these two salary increases are retroactive.

To keep pace with the community college faculty on 1 July 1975, the non-bargaining unit professional staff would require a 9.7% increase which would total \$2,292,668 ("II-D", in Attachment 1).

Item "II-F" in Attachment 1 summarizes the new funds needed in FY 76. The cost of extending FY 75 increases through FY 76 (\$1,699,949) plus the 1 July 1975 salary raise (\$2,292,668) add to \$3,992,617 needed in the FY 76 budget.

Attachment 2 contains the detailed analyses of the University's professional salary status. Dr. Richard Solie, its author, is ready to work with staff budget analysts to confirm the figures.

UNIVERSITY OF ALASKA

Page Three  
April 1, 1975

I respectfully request, on behalf of the Board of Regents, careful consideration of these requests to place University professional staff salaries at an appropriate level, taking into consideration the unusual area cost-of-living differentials and the fact that we should like to treat all the professional staff equally according to qualifications and merit.

Sincerely yours,



Robert W. Hiatt  
President



Anchorage Higher Education Consortium Library

3211 Providence Drive • Anchorage, Alaska 99504  
Phone 272-5522

Serving Alaska Methodist University and University  
of Alaska, Anchorage

March 11, 1975



*File - Make special  
for Interest Committee  
file on Higher Education - I'm  
a member*  
*M.C.*

Miss Elizabeth Carroll  
Assistant Director for AMU  
Consortium Library  
3211 Providence Drive  
Anchorage, Alaska 99504

Dear Elizabeth:

I have read the copy of the memorandum which you sent to Dean Ross Schaff, giving your reply to statements attributed to me in the McLean Report. I saw the McLean Report for the first time a few days ago. There are some statements recorded there which I did not make; some other statements of mine were extrapolated and reported accordingly.

I did not say that AMU had made no contribution to the book budget of the Consortium Library. I reported that about \$25,000 had been allocated for materials. I further reported that after the end of the fiscal year, you told me that the bills for much or most of the materials which you had ordered had not been paid from the FY 1974 book budget. You said that the bills had been carried over and the funds meant for library use had been used to pay other obligations, therefore you were uncertain as to what AMU's contribution had actually been for the 1974 fiscal year. The foregoing was precisely what I told the committee.

With regard to the \$7,000 or \$8,000 which I said had been spent from UAA funds in filling book orders requested by AMU personnel; I told the committee that AMU's contribution had originally been budgeted by the library to be spent on microfilm, and that other requests made by AMU faculty had been routinely purchased out of the state-appropriated funds for the Consortium Library. After \$7,000 or \$8,000 had been spent filling AMU requests, I was informed by Dean Schaff that AMU did not feel that microfilm was a suitable investment for AMU to make. At this point responsibility for deciding what should be purchased with AMU funds was turned over to you.

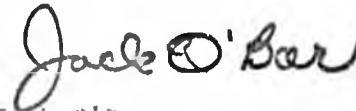
You raised a number of other points which I should like to answer, but to do so would require so many words that it would probably add to rather than clear up any confusion which may exist.

Please reply Air Mail

Miss Elizabeth Carroll  
Page 2

Provost Haines to whom I report in the University of Alaska was present at the meeting. I am confident that he will confirm that I said nothing derogatory about Alaska Methodist University.

Yours truly,



Jack O'Bar  
Director

JB:bh

cc: Interim Committee on Higher Education ✓  
Provost Lewis Haines  
President John Picton  
Dean Ross Schaff  
Vice-President Richard Gay

Higher  
Ed - Sub  
Comm.

ROBERT W. HIATT  
PRESIDENT



UNIVERSITY OF ALASKA  
OFFICE OF THE PRESIDENT  
FAIRBANKS, ALASKA 99701

March 4, 1975

Mr. Rich Guthrie  
Fiscal Analyst  
Legislative Budget and Audit Committee  
Pouch WF  
Juneau, Alaska

*File - Higher Education Committee*

Dear Rich:

On 28 February Don Dafoe replied to an inquiry by you relating to AMU physical assets.

The AMU Trustees' Committee made a proposal to the Board of Regents and the Board replied after sitting as a full Board. These documents are enclosed. This is the latest in negotiating events. I am also enclosing for your use and distribution as you see fit a synopsis of the AMU land purchases from BLM. As you can see, a total of \$102,000 was paid for 505 acres. The State paid them \$2,000,000 for 186 of those acres in 1972.

As to Bob Bradley's questions:

*Actual amt. of Bond-HUD? discount if U of A takes over, because AMU going insolvent?*

1. There is a federal involvement (HUD) in the financing of AMU facilities. The indenture, arrears interest payments and penalties are listed in their proposal. We are checking with HUD to verify their accuracy and to learn whether HUD would be willing to shift these debts to the University of Alaska. *How about for prob. any*
2. There is an amendment applicable to all parcels of AMU lands which requires their dedication in perpetuity for educational, recreational or health uses. This was placed on record when the State made the \$2,000,000 land purchase in 1972.

Guthrie, Mr. Rich

-2-

March 4, 1975

3. Independent appraisals of the AMU properties have been completed. We are not privy to AMU's appraisal, but ours is appended. We are now requesting an appraisal on "deferred maintenance" and on furniture and fixtures.

I should note that the land appraisals have been made on the basis of commercial values, for this is about the only basis available to appraisers. Naturally, lands dedicated for restricted uses, such as these, will be actually valued at a far lesser amount.

I probably will be in Juneau next week and would be pleased to meet with Bob Bradley and others on this or other matters. Please give him copies of the materials enclosed.

Best personal regards,

Sincerely,



Robert W. Hiatt  
President

RWH:dm  
Enclosures

ORIGINAL VALUES & AMOUNT PAID FOR AMU LANDS

(INFO FROM BLM ANK. FILES)

<u>PATENT NO.</u>	<u>ACREAGE</u>	<u>APPRAISED</u>	<u>DISC. ALLOWED</u>	<u>PAID</u>	<u>\$/ACRE</u>
1150278* November 28, 1958	242.5	\$ 36,375.00	68%	\$11,640.00	\$ 48.00
(1188433) same date <i>Expires: 1983</i>		\$ 150.00 acre			
50-64-0186* June 2, 1964	227.5	\$204,750.00 \$ 900.00 acre	70%	\$61,425.00	\$ 270.00
50-64-0187* June 2, 1964	35	\$ 58,975.00 \$ 1,685.00 acre	50%	\$29,500.00	\$ 842.85
<u>Total appraised</u>	505 A	\$302,105.00		\$ 598.21/acre	
<u>Total paid</u>	505 A	\$102,565.00	66%	\$ 203.10/acre	

*What's this 1? Why 0? ?*

*Four*

*Four*

*Note* →

*Note* →

REFERENCE: AMU Real Estate <sup>Map</sup> produced by Tryrk, Nyman & Hays on file in University of Alaska Planning files.

These are patents to the land and therefore title is held by AMU and they can sell or lease as long as they do not violate the restrictive clauses. The '58 patent has a re-issue (PAT.1188433), but the original was not cancelled, so there are two patents for the same land.

- \* Reverter clause expires at end of 25 years from issue.
- \* Reverter clause runs in perpetuity.

*Why not pay the commercial value less this amt.?*

March 3, 1975

TO: Alaska Methodist University Trustees' Committee

FROM: University of Alaska Board of Regents

RE: Responses to AMU Trustees' Draft Memorandum of Agreement  
Concerning the Sale of the AMU Campus, Buildings, Furniture and  
Fixtures

The Board of Regents met on Friday, 28 February to review and respond to the draft Memorandum of Agreement (MOA) concerning the sale of the AMU campus, buildings and certain personal property at Anchorage submitted by the Reverend Ac C. Wischmeier to Mr. Robert McFarland, President of the Board of Regents of the University of Alaska.

The Board concurred on certain important basic approaches with respect to this transaction which provided direction for specific responses to points made in the draft MOA. These are herewith noted and form a preamble to the specific responses detailed later.

The transactions between Alaska Methodist University and the University of Alaska being entered into now differ fundamentally from those resulting in the purchase of AMU lands in 1972. The 1972 land purchase was the most convenient vehicle available to the State of Alaska for providing major substantive financial aid to AMU for the express purpose of maintaining AMU as a viable institution so that it might continue to provide Alaskans seeking post-high school education a choice between public and private educational delivery systems. Because of this objective, the land involved was priced and acquired at near or at its "fair market value" without patent restrictions.

The current transaction is not involved with the maintenance of AMU as an institutional alternative to public higher education in Alaska, but rather one which will enable AMU to close its operations, pay its incurred debts and ostensibly establish an organization with any remaining funds, the nature of which is yet unknown but which will in some manner benefit higher education in Alaska. The resulting organization, presumably will be eleemosynary.

The AMU campus lands are dedicated in perpetuity for educational, recreational or health purposes. They were given to AMU without fee for educational purposes. Thus, although the appraisers had no choice but to value the lands on the basis of current commercial transactions in the vicinity and to assume that there was no restriction on the title, the Regents feel that a token payment should be negotiated for said lands.



March 3, 1975

Alaska Methodist University Trustees' Committee/ University of Alaska Board of Regents  
..2-

The Regents wish to make clear to the AMU Trustees that the amount and schedule of payments are the prerogative of the Legislature and the Governor. To effect this transaction in the most expeditious and timely manner the Regents and the Trustees should present to these State governmental bodies an agreed program fully and jointly supported. The President of the Board of Regents, Mr. McFarland, invites your Trustees' Committee to meet with the Regents' Committee at the earliest date possible following receipt of this response to the draft MOA.

Herewith are the specific responses to the numbered points set forth in the draft MOA.

1. The Regents are willing to negotiate an excepted parcel of land for AMU use, but not necessarily the parcels specified in the draft MOA. An explanation of uses to be made of the property and choices of location can be presented for resolution at the joint negotiating Committee meeting.

2. Acceptable.

3. The Regents are agreeable to negotiating a total sum for the campus and buildings based upon (1) a fair appraisal of the buildings which has taken into consideration their deferred maintenance; (2) a fair appraisal of furniture, fixtures and other personal property; and (3) a sum which is based upon a token payment for land dedicated to educational use.

3a. Acceptable, depending upon legislative appropriation.

✓ 3b. Acceptable dependent upon the Regents' negotiations with HUD concerning the now delinquent sums. Should the Regents be unable to negotiate any or all of these delinquent sums with HUD, such sums would have to be deducted from the specified down payment of \$3,000,000.

3c. Acceptable, but subject to legislative approval.

4. Acceptable in principle. The Regents' appraiser has not considered these items, but will do so when a schedule of said items is prepared.

- 5. Schedule of payments will depend upon legislative approval. Because an eleemosynary organization is contemplated with the sale's net proceeds, the Regents believe a prime rate of interest improper, and will agree instead to a rate of 5 per cent subject to legislative approval.
- 6. Acceptable.
- 7. Acceptable providing the Alaskana library is not part of the Consortium Library collection already purchased and owned by the University of Alaska.
- 8. Retention of office space specified in Grant Hall is not acceptable. Should furniture, fixtures and office equipment presently located in such offices not be involved in the sale, the schedule of appraisals should clearly omit it.

The Regents would consider the rental of space to the AMU successor organization in locations and under conditions agreeable to the Administration of the University of Alaska.

- 9. This proviso is not acceptable for inclusion in this MOA. The joint Administrations are now planning for the transfer of selected personnel, programs and other important aspects, such as student records, from AMU to the University of Alaska. This matter will be included in that transaction.

10. Acceptable.

With the deletion of the last two sentences referring to "arbitration," this point is acceptable.

11a. (Board of Regents' statement re litigation) AMU will hold UA harmless for any litigation or liability arising in relation to the operation of AMU or arising prior to the transfer of possession of the premises to UA.

12. Acceptable.

*All they separate the students & teachers from the land & if so they (adm.) have advantage over Regs.*

*Robert W. Hiatt*

Robert W. Hiatt  
Executive Officer of the Board of Regents

RWH:dn

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement is made the \_\_\_\_ day of March, 1975, by and between the University of Alaska (hereinafter UA) and Alaska Methodist University (hereinafter AMU).

W I T N E S S E T H:

WHEREAS, AMU is willing to sell its campus and buildings and certain personal property at Anchorage, Alaska; and

WHEREAS, UA is desirous of purchasing said campus, buildings and personal property;

NOW, THEREFORE, the parties agree as follows:

1. AMU agrees to convey to UA in fee simple absolute its entire campus at Anchorage, Alaska, with the exception of the following described parcels:

Parcel No. 1

The West half (W 1/2) of the North half (N 1/2) of the Northeast quarter (NE 1/4) of the Southeast quarter (SE 1/4) of Section 28 (S28), Township 13 North (T13N), Range 3 West (R3W), Seward Meridian.

Parcel No. 2

The West half (W 1/2) of the Northeast quarter (NE 1/4) of the Northeast quarter (NE 1/4) of the Southeast quarter (SE 1/4) of Section 28 (S28), Township 13 North (T13N), Range 3 West (R3W), Seward Meridian.

Parcel No. 3

The South half (S 1/2) of the Southwest quarter (SW 1/4) of the Southeast quarter (SE 1/4) of the Northeast quarter (NE 1/4) of Section 28 (S28), Township 13 North (T13N), Range 3 West (R3W), Seward Meridian.

Parcel No. 4

The Southwest quarter (SW 1/4) of the Southeast quarter (SE 1/4) of the Southeast quarter (SE 1/4) of the Northeast quarter (NE 1/4) of Section 28 (S28), Township 13 North (T13N), Range 3 West (R3W), Seward Meridian.

85/3  
5/2/78



Parcel No. 5

All that portion south of University Drive of the North half (N 1/2) of the Southwest quarter (SW 1/4) of the Southeast quarter (SE 1/4) of the Northeast quarter (NE 1/4) of Section 28 (S28), Township 13 North (T13N), Range 3 West (R3W), Seward Meridian.

The land which is agreed to be conveyed hereby, excluding the above-described parcels, contains approximately 265 acres and is more fully described as follows:

Parcel No. 1

The East quarter (E 1/4) of the Northeast quarter (NE 1/4) of the Northeast quarter (NE 1/4) of the Southeast quarter (SE 1/4) of Section 28 (S28), Township 13 North (T13N), Range 3 West (R3W), Seward Meridian.

Parcel No. 2

The East half (E 1/2) of the East half (E 1/2) of the Southeast quarter (SE 1/4) of the Northeast quarter (NE 1/4) of Section 28 (S28), Township 13 North (T13N), Range 3 West (R3W), Seward Meridian.

Parcel No. 3

The North half (N 1/2) of the South half (S 1/2) of the Northeast quarter (NE 1/4) of the Southeast quarter (SE 1/4) of Section 28 (S28), Township 13 North (T13N), Range 3 West (R3W), Seward Meridian.

Parcel No. 4

The South half (S 1/2) of the South half (S 1/2) of the Northeast quarter (NE 1/4) of the Southeast quarter (SE 1/4) of Section 28 (S28), Township 13 North (T13N), Range 3 West (R3W), Seward Meridian.

Parcel No. 5

The South half (S 1/2) of the South half (S 1/2) of the Northwest quarter (NW 1/4) of the Southwest quarter (SW 1/4) of Section 27 (S27), Township 13 North (T13N), Range 3 West (R3W), Seward Meridian.

Parcel No. 6

The North half (N 1/2) of the South half (S 1/2) of the Northwest quarter (NW 1/4) of the Southwest quarter (SW 1/4) of Section 27 (S27), Township 13 North (T13N), Range 3 West (R3W), Seward Meridian.

Parcel No. 7

The North half (N 1/2) of the Northwest quarter (NW 1/4) of the Southwest quarter (SW 1/4) of Section 27 (S27), Township 13 North (T13N), Range 3 West (R3W), Seward Meridian.

Parcel No. 8

The Northwest quarter (NW 1/4) of the Northeast quarter (NE 1/4) of the Southwest quarter (SW 1/4) of Section 27 (S27), Township 13 North (T13N), Range 3 West (R3W), Seward Meridian.

Parcel No. 9

The North half (N 1/2) of the Southwest quarter (SW 1/4) of the Northeast quarter (NE 1/4) of the Southwest quarter (SW 1/4) of Section 27 (S27), Township 13 North (T13N), Range 3 West (R3W), Seward Meridian.

Parcel No. 10

The South half (S 1/2) of the Southwest quarter (SW 1/4) of the Northeast quarter (NE 1/4) of the Southwest quarter (SW 1/4) of Section 27 (S27), Township 13 North (T13N), Range 3 West (R3W), Seward Meridian.

Parcel No. 11

The East half (E 1/2) of the Northeast quarter (NE 1/4) of the Southwest quarter (SW 1/4) of Section 27 (S27), Township 13 North (T13N), Range 3 West (R3W), Seward Meridian.

Parcel No. 12

The South half (S 1/2) of the Northwest quarter (NW 1/4) of Section 27 (S27), Township 13 North (T13N), Range 3 West (R3W), Seward Meridian.

Parcel No. 13

The Northwest quarter (NW 1/4) of the Northwest quarter (NW 1/4) of Section 27 (S27), Township 13 North (T13N), Range 3 West (R3W), Seward Meridian.

Parcel No. 14

The South half (S 1/2) of the Northeast quarter (NE 1/4) of the Northwest quarter (NW 1/4) of Section 27 (S27), Township 13 North (T13N), Range 3 West (R3W), Seward Meridian.

Parcel No. 15

The Northwest quarter (NW 1/4) of the Northeast quarter (NE 1/4) of the Northwest quarter (NW 1/4) of Section 27 (S27), Township 13 North (T13N), Range 3 West (R3W), Seward Meridian.

Parcel No. 16

All that portion south of University Drive of the North half (N 1/2) of the Southwest quarter (SW 1/4) of the Southeast quarter (SE 1/4) of the Northeast quarter (NE 1/4) of Section 28 (S28), Township 13 North (T13N), Range 3 West (R3W), Seward Meridian.

Parcel No. 17

All that portion south of University Drive of the Northwest quarter (NW 1/4) of the Southeast quarter (SE 1/4) of the Southeast quarter (SE 1/4) of the Northeast quarter (NE 1/4) of Section 28 (S28), Township 13 North (T13N), Range 3 West (R3W), Seward Meridian.

2. AMU agrees to transfer to UA all improvements on said real property. The buildings include the following:

- a. Gould Hall
- b. Grant Hall
- c. Campus Center Buildings
- d. Behavioral Science Building
- e. Faculty housing (9 units)
- f. Maintenance and storage buildings

3. UA agrees to pay the sum of \$20,000,000.00 for the above-listed real property and improvements. The terms of said payment shall be as follows:

- a. The sum of \$3,000,000.00 as a down payment. Said down payment shall be reduced by the sum of the obligations for salary at current AMU rates assumed by UA as a result of the termination by AMU of its faculty contracts due to the closure of AMU and the employment by UA of some or all of the AMU faculty. The exact sum of said obligation shall be determined prior to May 1, 1975, by the joint UA-AMU administrative task force subject to the approval of the Presidents of the two Universities and shall be limited to the salary obligations at current AMU rates for faculty actually employed by UA for the 1975-1976 school year.

b. UA shall assume AMU's rights and obligations under that certain Indenture dated October 1, 1972, between AMU and the First National Bank of Anchorage, as Trustee, and under that certain Indenture dated April 1, 1966, between AMU and the First National Bank of Anchorage, as Trustee. The said Indentures have a principal balance of \$2,721,000.00, of which principal balance the sum of \$100,000.00 is presently in arrears. The additional sum of \$250,000.00 is presently due and owing under said Indentures, which sum includes \$95,000.00 interest in accordance with the payment schedules under said Indentures, \$140,000.00 deficiency in the sinking fund provided for in said Indentures, and the sum of \$15,000.00 in miscellaneous interest and penalties under said Indentures. UA agrees to assume all of said principal, interest and penalty obligations and bring all arrearages current. It is understood by the parties that the concurrence of the Trustee and the bond holder under said Indentures will be required prior to the assumption by UA of AMU's obligations under said Indentures. The parties agree to jointly approach said Trustee and bond holder to secure their approval to the assumption. The purchase price set out hereinabove shall be reduced by the amount of the assumed indebtedness under said Indentures.

*What a push  
on the part of*

②. The first installment of the down payment shall be due on or before April 1, 1975 and shall be the sum of \$1,000,000.00. The balance of said down payment shall be due on July 1, 1975.

4. AMU shall, in addition, sell to UA furniture, fixtures and other personal property for the additional sum of \$800,000.00. Schedules of said furniture, fixtures and other

personal property shall be prepared and affixed to this agreement as exhibits. The parties understand that certain personal property may be subject to restrictions in the applicable deed of gift and AMU may therefore be required to retain said property.

5. The balance due of the purchase price shall be paid in equal annual installments commencing on the 1st day of July, 1976, and continuing annually thereafter on the 1st day of July until the total purchase price, together with interest at the rate of 8.5% per annum on the unpaid balance, is paid in full.

6. The unpaid balance due under the terms of this agreement shall be evidenced by a promissory note which shall be secured by an appropriate deed of trust on the real property and improvements transferred hereby and by an appropriate security agreement covering the personal property transferred hereby. The deed of trust and security agreement shall be superior to all other security interests in said real and personal property with the exception only of the Indentures described in paragraph 3(b) hereinabove. The deed of trust and security agreement shall provide for a minimum of six months within which any default under said deed of trust and security agreement may be cured by UA.

✓ 7. AMU shall retain its art collection and its Alaskan library.

8. AMU shall retain office space in Grant Hall. The office space retained shall be the southwest corner of Grant Hall from the present front counter to the west side of Grant Hall and from the south side of Grant Hall to the boiler room, (executive and business suite) together with three offices on the east side of the main hall on the first floor of Grant Hall, which offices presently contain the University Development Offices, Grants office and the institutional research office. AMU shall lease

all of said offices from UA for an annual rental of \$1.00 per year. AMU shall retain title to the furniture, fixtures and office equipment presently located in said offices.

9. UA agrees to hire *Mrs. Brooks* the present AMU registrar on a permanent basis to maintain the AMU student records.

10. The parties through the negotiating committees, the Board of Regents and Board of Trustees respectively, and through the parties' legal counsel shall ~~cooperate fully in~~ securing approval of the sale by the Legislature of the State of Alaska and by the United States Department of the Interior. Both parties agree to use their best efforts to promptly secure the approval of both of said agencies.

11. The details regarding the implementation of the transfer of the property and improvements of AMU to UA shall be negotiated by the joint AMU/UA administrative task force subject to the approval of the Presidents of the two institutions. Any dispute which cannot be finally resolved between those groups shall be submitted to the sale negotiating committees appointed by the Regents and Trustees of the two universities. Any dispute which cannot be resolved through negotiations between that committee shall be submitted for arbitration by the parties under the rules of the American Arbitration Association. The results of said arbitration shall be binding upon the parties.

12. It is understood and agreed by the parties hereto that this agreement is a preliminary agreement intended to express the general understanding of the parties with regard to the terms of the sale and that this agreement may require amendment, modification or substitution at a later date.

DATED the day, month and year first written hereinabove.

UNIVERSITY OF ALASKA

By: \_\_\_\_\_  
its \_\_\_\_\_

ALASKA METHODIST UNIVERSITY

By: \_\_\_\_\_  
Its \_\_\_\_\_

**DIRKSEN APPRAISAL COMPANY**

*file 478*

PAUL P. DIRKSEN, S.R.A.-R.M.

531 West Third Avenue, Anchorage, Alaska 99501

(907) 277-8675

December 31, 1974

RECEIVED  
OFFICE OF PLANNING &  
INSTITUTIONAL STUDIES

DIST. JAN 3 1975 LCG # 2  
DCM RAIT *[initials]*

Dr. Donald C. Moyer  
Director of Planning  
University of Alaska  
Fairbanks, Alaska 99701

Re: Appraisal of Alaska Methodist University

Dear Dr. Moyer:

As requested, I have made an inspection and preliminary analysis of the value of land and buildings owned by Alaska Methodist University. The land is described as follows:

- The NW $\frac{1}{4}$  Section 27 EXCEPT The NE $\frac{1}{4}$  NE $\frac{1}{4}$  NW $\frac{1}{4}$  Section 27;
- The N $\frac{1}{2}$  SW $\frac{1}{4}$  Section 27;
- The NE $\frac{1}{4}$  SE $\frac{1}{4}$  Section 28;
- The SE $\frac{1}{4}$  NE $\frac{1}{4}$  Section 27 lying South of University Drive;
- The E $\frac{1}{2}$  E $\frac{1}{2}$  SE $\frac{1}{4}$  NE $\frac{1}{4}$  Section 27 lying North of University Drive;
- The SW $\frac{1}{4}$  SE $\frac{1}{4}$  SE $\frac{1}{4}$  NE $\frac{1}{4}$  North of University Drive.

The gross area is approximately 292.69 acres.

Alaska Methodist University proposes to sell this property to the University of Alaska. The purpose of this preliminary estimate is to ascertain a fair price to be paid for the real estate. While the final appraised value may vary somewhat from this preliminary estimate, it should not be significantly different.

In my opinion, the Market Value of the Alaska Methodist University real estate as of December 27, 1974 is:

NINETEEN MILLION, TWO HUNDRED THOUSAND

(\$19,200,000)

*See p.6 for restriction on release of this info. to public media!*

Allocation:

<u>Improvements</u>	<u>Present Value</u>
(1) Underground Utilities	\$ 277,186
(2) Parking	69,027
(3) Student Union	5,663,886
(4) Grant Hall	3,654,509
(5) Gould Hall	1,409,600
(6) Behavioral Sciences	31,159
(7) Shop Garage	52,029
(8) Ski Jump	67,900
(9) Carillon	72,750
(10) Tennis Courts	28,384
(11) Hockey Rink	24,302
(12) Landscaping	158,586
(13) Faculty Residences (including land)	652,500
Total Improvements	<u>\$12,161,818</u>
Land	<u>7,000,000</u>
TOTAL VALUE ALASKA METHODIST UNIVERSITY REAL ESTATE	\$19,161,818
(rounded)	<u><u>\$19,200,000</u></u>

Methodology:

The subject is a special purpose property. The standard method of appraising special purpose properties is to value the improvements based on cost new less depreciation then add the land. Depreciation must include all forms including

physical deterioration, functional obsolescence and economic obsolescence when these elements are present.

The land is zoned PLI, Public Lands and Institutions District, by the Greater Anchorage Area Borough. This district is intended to include major open lands, major public and quasi public institutional uses. The standard method in appraising land in this type of zoning is to substitute the highest and best use of the land as if it were in the private sector. This is because parks and institutional lands very seldom transfer on a Market Value basis. The highest and best alternate use for this land would be for a PUD, which includes condominiums, apartments, a small amount of offices and commercial and possibly some single family residences. The subject land has been valued on this basis.

There is a restrictive covenant in the patent from the Bureau of Land Management to Alaska Methodist University which restricts the use of this land to school purposes. The sale agreement between Alaska Methodist University and the University of Alaska for 197 acres of adjacent land in 1972 also contained a restriction on the remaining Alaska Methodist University land to school purposes. The land value in this preliminary estimate has not been penalized because of the restrictions placed on the land. Prior to completion of the final appraisal, I would like to have an opportunity to discuss the impact of these restrictions with counsel.

[The land has been appraised with the streets in place. That is to say, land is more valuable with street frontage than land without street access. Therefore, although the streets are privately owned and maintained, the value of those streets is included in the land value.] Near the South end of the property is a ~~25 acre lake~~ which was created by mining of the gravel resources previously located thereon. Assuming that Chester Creek, which flows nearby, could be diverted in and out of the lake to fill it and freshen it, the lake is an asset to the land. The ~~25 acre lake~~ area has been deducted from the total land area for purposes of calculation of land value. However, the 58.4 acres surrounding the lake have been valued at a higher unit value than the rest of the land.]

The faculty residences have been valued on a comparative basis rather than cost less depreciation. This method includes the land on which a residence is located. Typical lot size for residences of this size is 16,000 square feet each, which would result in 3.31 acres being utilized for faculty housing.

Dr. Donald C. Moyer  
December 31, 1974  
Page 4

This land value is included with the value of the faculty housing and was, therefore, deducted from the land area which was valued on an acreage basis.

Land Values:

58.4 Acres @ \$35,000/Acre	=	\$2,044,000
192.18 Acres @ \$25,000/Acre	=	4,804,500
<u>13.8 Acres @ \$15,000/Acre</u>	=	<u>207,000</u>
264.38 Acres	TOTAL	\$7,055,500
25 Acre Lake		
3.31 Acres with Faculty Housing		
	(rounded)	<u>\$7,000,000</u>

As requested, the above presentation has been abbreviated with the supporting evidence retained in the appraiser's files. The final appraisal, when requested, will contain the back-up evidence for land value, cost of reproduction estimates and the comparable sales utilized in valuing the faculty housing.

The land areas utilized are approximate. No survey was made, and there is no warranty as to land area.

We acknowledge assistance of Terry Gorsuch, Cost Estimator, and Fred Ferrara, Appraiser, in this report.

We wish to thank you for this opportunity to be of service.

Sincerely,  
DIRKSEN APPRAISAL COMPANY

*Paul P. Dirksen*

Paul P. Dirksen

PPD/sm

Attachments (5)

*In this regard  
New Dep. Comm. for Public Works -  
Audit also spoke to Committee  
refer to P. 1  
Dr. Moyer*

THE FOLLOWING DOCUMENT(S) MAY NOT FILM  
LEGIBLY BECAUSE OF POOR QUALITY OF THE  
ORIGINAL.

Northern

East High  
Lights

Blue

36

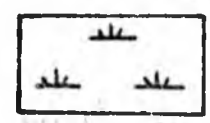
Providence  
Hosp

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Tudor Road

GAAB

Swamp



5.

ANG 5922

THE PRECEDING DOCUMENT(S) MAY NOT FILM  
LEGIBLY BECAUSE OF POOR QUALITY OF THE  
ORIGINAL.

## ASSUMPTIONS AND LIMITING CONDITIONS

1. No legal questions are considered in this analysis, such as titles, encumbrances, etc.. The property is considered as if free and clear.
2. All dimensions and legal descriptions are assumed to be correct, as furnished.
3. All information, as found in data furnished, is deemed to be reliable. If any errors are found, the right is reserved to modify the conclusions reached.
4. No study has been made to determine whether structures may have an infestation, such as termites or dry rot. In the absence of such study, it is assumed the property is free of such problems.
5. While various "approaches to value" and various mathematical calculations have been used in estimating value, these are but aids to the formulation of the opinion of value expressed by the appraiser in this report. In these calculations, certain arithmetical figures are rounded off to the nearest significant amount.
6. The data and conclusions embodied in this appraisal are a part of the whole valuation. No part of this appraisal is to be used out of context; and, by itself alone, no part of this appraisal is necessarily correct, as being only part of the evidence upon which final judgment as to value is based.
7. Employment to make this appraisal does not require testimony in court, unless mutually satisfactory arrangements are made in advance.
8. This appraisal is made in accordance with the standards of the American Institute of Real Estate Appraisers.
9. Fair Market Value is defined as "the price it (the real estate) will bring between a willing buyer and a willing seller, with equity to both.
10. This report is delivered subject to the stipulation that neither all nor any part of the contents shall be conveyed to the public media through advertising, public relations, news, sales or any other media without the written consent and approval of the author, particularly as to valuation conclusions, the identity of the appraiser, his firm, or any reference to the American Institute of Real Estate Appraisers.

CERTIFICATION:

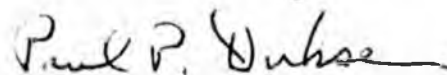
The undersigned does hereby certify that, except as otherwise noted in this appraisal report:

1. I have no present or contemplated future interest in the real estate that is the subject of this appraisal report.
2. I have no personal interest or bias with respect to the subject matter of this appraisal report or the parties involved.
3. To the best of my knowledge and belief the statements of fact contained in this appraisal report, upon which the analyses, opinions and conclusions expressed herein are based, are true and correct.
4. This appraisal report sets forth all of the limiting conditions affecting the analyses, opinions and conclusions contained in this report.
5. This appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the American Institute of Real Estate Appraisers of the National Association of Real Estate Boards.
6. No one other than the undersigned prepared the analyses, conclusions and opinions concerning real estate that are set forth in this appraisal report.

RESTRICTION UPON DISCLOSURE & USE:

Disclosure of the contents of this appraisal report is governed by the By-Laws and Regulations of the American Institute of Real Estate Appraisers of the National Association of Real Estate Boards.

Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser or the firm with which he is connected, or any reference to the American Institute of Real Estate Appraisers or to the M.A.I. or R.M. designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication without the prior written consent and approval of the undersigned.



Paul P. Dirksen, S.R.A. - R.M.

QUALIFICATIONS OF PAUL P. DIRKSEN, S.R.A., R.M.

PROFESSIONAL AFFILIATIONS:

Society of Real Estate Appraisers, Designation - S.R.A.  
President, Anchorage Chapter #158, 1974-75  
American Institute of Real Estate Appraisers, Designation - R.M.  
American Right of Way Association  
Anchorage Board of Realtors

EDUCATION:

Miami University, B.S., 1957, Oxford, Ohio  
AIREA Appraisal Course I, Milwaukee, Wis., 1958  
AIREA Appraisal Course II, University of Pacific, 1963  
AIREA Appraisal Course IV, University of San Francisco, 1964  
University of California, 1962 - 1964

BUSINESS EXPERIENCE:

Dirksen Appraisal Company, Anchorage  
Alaska Department of Highways,  
State Supervising Appraiser  
Alaska Attorney General's Office,  
Special Consultant on cases related to eminent domain  
Savings & Loan Commissioner's Office,  
Appraiser Class IV (California)  
Lloyd Thomas Company, Chicago, Ill.  
American Appraisal Company, Milwaukee, Wis.

COURT EXPERIENCE:

Qualified as Expert Witness in various Superior Courts

TYPICAL CLIENTELE:

Alaska Department of Highways  
Alaska State Housing Authority  
Greater Anchorage Area Borough  
Alaska Department of Public Works,  
Division of Aviation and Division of Buildings  
University of Alaska  
City of Anchorage  
City of Fairbanks  
City of Juneau  
U.S. Coast Guard  
Washington Highway Commission  
San Francisco Bay Area Rapid Transit District  
Various Urban Renewal Agencies  
Private property owners and attorneys



UNIVERSITY OF ALASKA

FAIRBANKS, ALASKA 99701

April 18, 1975

The Honorable Susan Sullivan  
Alaska State House of Representatives  
Pouch "V" State Capitol Building  
Juneau, Alaska 99811

*File*

Dear Representative Sullivan:

After sending you my memo of April 15, commenting on House Bill 404 I have discussed the bill with the University's Legal Counsel.

Our Counsel pointed out that a two year residency requirement as stated in the bill would raise serious questions of equal protection of the law under the U. S. Constitution. He also suggested that even though the proposed language is generally in line with existing Board of Regents' policy, mandatory language might be incompatible with the Board of Regents' constitutional responsibility to govern the University (Alaska Constitution, Article VII, Section 3). He suggested that the purpose of the proposed Sec. 14.40.055 might be better accomplished by the following language: "Notwithstanding the provisions of Sec. 14.40.050 the Board of Regents may provide for waiver of fees or charges to persons over the age of 60." The language would authorize waiver of fees, yet would not invade the Regents' constitutional responsibility for governance.

Sincerely yours,

Don M. Dafoe  
Executive Vice President

cc: Rick Urion  
Bob Bradley ✓

The Legislature of the State of Alaska  
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. House Bill 404  
 Title: An Act Relating to the University of Alaska  
 Requested by: Health, Education & Social Services Date: 4-17-75  
 Return Date Requested: Immediately  
 Agency: University of Alaska Program: Education

II. FISCAL DETAIL

Budget Request Unit(s) Affected: University - Statewide  
 A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	No additional cost, but a loss of income					

B. FUNDING: (Thousands of dollars)

GENERAL FUND	36.0	45.0	54.0	63.0	72.0	81.0
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY MAN MONTHS (P./T.)	/	/	/	/	/	/
---	---	---	---	---	---	---

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

200 students x 3 credit hours each x \$20.00 per credit hour = \$12,000 per semester  
 (12,000 x 3 = 36,000)

This represents a loss of income that must be covered by an allocation of General Funds.  
 Projected increase at rate of 150 credit hours per semester (3) per year (9,000)

IV. ATTACHMENTS

V. DATE: 4-18-75

PREPARED BY: 

M. M. Hullinger  
 Vice President for Finance and Comptroller

Original: Legislative Finance  
 Budget and Management  
 cc: Prime Sponsor (First Legislator Named)

UNIVERSITY OF ALASKA

COLLEGE, ALASKA 99701

TO: Hon. Susan Sullivan

Re: HB 404

DATE: 4/15/74

Attached is a copy of an excerpt from Regents minutes adopting a policy for tuition and fee waiver for persons 60 yrs and older. HB 404 is more restrictive than the Board policy, since it provides for two year residency but does not provide for payment of amounts for specialized classroom supplies. Also, the term "educationally related" is very broad and might be interpreted to

REPLY: apply to exemption from payments for <sup>individual</sup> ~~private~~ music lessons, etc.

We believe the language in the bill should be modified as noted on the bill copy.

cc Rick Union, Bob Bradley

File HB 404.

Introduced: 4/9/75  
Referred: Health, Education &  
Social Services and Finance

1 IN THE HOUSE

BY URION AND BRADLEY

2 HOUSE BILL NO. 404

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

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

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

9 \* Section 1. AS 14.40.050 is amended to read:

10 Sec. 14.40.050. DISCRIMINATION BECAUSE OF AGE, SEX, COLOR OR  
11 NATIONALITY PROHIBITED. No person shall be deprived of the privileges  
12 of the university because of age, sex, color or nationality.

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

14 Sec. 14.40.055. SENIOR CITIZEN EXEMPTION FROM TUITION AND FEES.  
15 *Who are Alaskan residents,*  
Persons ~~who have been residents of the state for two years,~~ who are 60  
16 years of age or older, and who apply for enrollment or who are enrolled  
17 in the university are exempt from ~~tuition or~~ <sup>course</sup> fees imposed by the univer-  
18 sity. ~~for educational or educationally related services.~~ This exemption  
19 *charges for specialized classroom supplies,*  
does not apply to ~~charges for room and board or other student activities,~~  
20 *or for individual lessons or services.*  
~~unrelated to educational or educationally related services.~~

21 \* Sec. 3. This Act takes effect July 1, 1975.  
22  
23  
24  
25  
26  
27  
28  
29

*Bd of Regents Meeting Feb 28, 1975*

EIGHTH: Be It Further Resolved That all prior resolutions relating to any of the above matters be and they hereby are revoked.

NINTH: Be It Further Resolved That the President and Secretary of this Corporation be and they hereby are authorized to certify to said First Western Bank a copy of these resolutions and the names of this Corporation's officers and/or agents thereby authorized to act in the premises. WE FURTHER CERTIFY that the following are those duly elected to the office set opposite their respective names:

<u>Hugh B. Fate</u>	<u>Treasurer, Board of Regents</u>
<u>M. M. Hullinger</u>	<u>Vice President for Finance &amp; Comptroller</u>
<u>Lewis E. Haines</u>	<u>Provost, Southcentral Region</u>
<u>F. Stanley Vaughn</u>	<u>Business Manager</u>

IN WITNESS WHEREOF, we have signed this instrument and caused the corporate seal of said Corporation to be hereunto affixed this \_\_\_\_\_ day of February, 1975

(SEAL)

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

Tuition and Fee Waiver for Persons 60 Years and Older

Regent Wendt moved, seconded by Regent Abel, and passed unanimously to approve the following motion the Finance and Business Management Committee had requested the Executive Officer of the Board to re-write and present to the full Board for action.

"The Board approves a waiver of course fees (excluding fees for specialized classroom supplies), effective Fall Semester 1975, for Alaskan residents 60 years of age or older. The students may enroll in any class offered by the University of Alaska for which they are properly qualified, except those classes where student work spaces may not be available."

COPY COMMITTEE  
AND STATE OF ALASKA  
MY DESK ON

Subcommittee on the

BONDS

# STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

JAY S. HAMMOND, Governor

POUCH K - STATE CAPITOL  
JUNEAU 99801

March 18, 1975

Honorable Bill Ray  
Chairman  
Senate Finance Committee  
Alaska State Legislature  
Juneau, Alaska

Dear Senator Ray:

In your letter of March 11, 1975 you asked whether or not some of the funds from the University of Alaska bond issue authorized by ch. 144, SLA 1974 could be used instead for the purchase of Alaska Methodist University properties. In our opinion funds could not be reprogramed to uses other than those authorized by ch. 144, SLA 1974 and subsequently ratified by the voters.

This question was analyzed at substantial length in the attached opinion of April 26, 1974, transmitted to Mr. Joseph Henri, former Commissioner of Administration. Upon reviewing it, we feel that it remains the authoritative statement of our position on this issue. If you have any questions, please feel free to contact me.

Sincerely,

AVRUM M. GROSS  
ATTORNEY GENERAL

By: *Mark Ertischek*  
Mark Ertischek  
Assistant Attorney General

April 26, 1974

The Honorable Joseph R. Henri  
Commissioner  
Department of Administration  
Pouch C  
Juneau, Alaska 99801

Re: Ch. 221 SLA 1970 —  
project changes after  
voter approval of bond  
authorization

Dear Commissioner Henri:

You have inquired whether the Department of Highways may use the proceeds of general obligation bonds, authorized by ch. 221 SLA 1970 (highway maintenance facilities) and approved by the voters at the 1970 general election, for projects other than those specified in ch. 221 SLA 1970. The answer is no.

You have mentioned that some of the maintenance facilities listed in that Act "are no longer required and some may be constructed for less funds than originally specified." Neither circumstance justifies using the bond funds on projects not listed in the Act.

CONSTITUTIONAL AND STATUTORY PROVISIONS

Article IX, Section 8 of the Alaska Constitution provides in relevant part:

"No state debt shall be contracted unless authorized by law for capital improvements and ratified by a majority of the qualified voters of the State who vote on the question."

AS 15.15.030(11) requires:

"When the legislature by law authorizes a state debt for capital improvements, the lieutenant governor shall place the question of whether the specific authorization shall be ratified by placing the ballot title and question on the next general election ballot,

or on the special election ballot if a special election is held for the purpose of ratifying the state debt for capital improvements before the time of the next general election. . . ." (Emphasis added.)

Sec. 1, ch. 221 SLA 1970 authorizes the issuance and sale of bonds "for the purpose of paying part or all of the cost of acquiring, constructing and equipping and making other capital improvements to highway maintenance facilities." Sec. 2 of the same Act states:

"The amounts of these bonds to be issued from time to time and the time or times of their issuance shall be fixed by the State Bond Committee (created by AS 37.15.110), and the specific uses of the proceeds of these bonds shall be determined by the governor in accordance with the following schedule: [here follows a list of 12 specific projects, including the respective fiscal years (from 1971 to 1973) for their undertaking]."

Sec. 6, ch. 221 SLA 1970 requires submission of the question to the qualified voters of the state and sec. 7 requires using "substantially" the following wording:

"Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed \$5,500,000 for the purpose of paying part or all of the cost of acquiring, constructing and equipping highway maintenance facilities?"

By telephone conversation with this writer on April 15, 1974, Dorothy MacKenzie, Director of Elections, affirmed that Proposition No. 8, submitted to the voters at the general election on November 3, 1970, contained a verbatim statement of the heading and question set out in sec. 7, ch. 221 SLA 1970.

#### DISCUSSION

The Alaska Constitutional prohibition against incurring indebtedness refers to obligations against the general credit of the state. <sup>1/</sup> This being so, the voters of the state must be given the opportunity to voice their opinions, as required by Article IX, Section 8 of the Alaska Constitution, AS 15.15.030(11), and provisions comparable to sec. 7, ch. 221 SLA 1970 in each bond authorization Act. Many court decisions have held that, once the voters have ratified a bond authorization Act, a contract between the government and the electorate arises.

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<sup>1/</sup> Noted in the 1959 Opinions of the Alaska Attorney General, No. 39, and 1969 Opinions of the Alaska Attorney General, No. 5.

One such case is Tocker v. San Francisco Bay Area Rapid Transit District, 22 Cal. App. 3d 643, 99 Cal. Rptr. 351 (1972). In that case, the Act which created the transit district required a feasibility study to be made before putting the bond issue to a vote of the people. The study was made and the bond issue was approved by the voters. Nine years later the transit district entered into a contract with the City and County of San Francisco, providing for a particular modification of the plan as originally contemplated in the feasibility study. The validity of that contract was challenged. The California Court of Appeal, First District, held that because neither the legislative Act, nor the district's bond resolution, nor the ballot proposition specified the details of the rapid transit system, the modifying contract with San Francisco was within the district's authority and was therefore valid. But the court said (99 Cal. Rptr., at 364):

"It is undeniably true, as contended, that the BART resolution stating the purposes of and calling the bond election, and the acceptance of the ballot proposition by the voters, was analogous to a contract between BART and the voters or at least the taxpayers of the district. (Los Angeles County Flood Control Dist. v. Wright, 213 Cal. 335, 348-349, 2 P.2d 168; O'Farrell v. County of Sonoma, 189 Cal. 343, 348, 208 P. 117; Peery v. City of Los Angeles, 187 Cal. 753, 767, 203 P. 992; Skinner v. City of Santa Rosa, 107 Cal. 464, 476, 40 P. 742.) The laws which authorized the bond issue were a part of that contract. (Sutter Basin Corp. v. Brown, 40 Cal. 2d 235, 241, 253 P. 2d 649; State School Bldg. Fin. Com. v. Betts, 215 Cal. App. 2d 685, 619 31 Cal. Rptr. 258; Jenkins v. Williams, 14 Cal. App. 89, 98, 111 P. 116.) And obviously, the terms of the specific proposal submitted to voters have the attributes of such a contract and must be respected. (See Skinner v. City of Santa Rosa, supra, 107 Cal. 464, 40 P. 742.)"

The court simply held that extraneous matter, such as feasibility studies, did not give rise to a contract. In our present situation, the Act itself -- ch. 221 SLA 1970 -- expressly listed the projects for which the bonds were to be issued. Thus, under the reasoning of the California court, a contract arose with the voters of Alaska.

The same California court reached a similar result a year earlier in East Bay Municipal Utility District v. Sindelar, 16 Cal. App. 3d 913, 94 Cal. Rptr. 431 (1971). In that case, the primary project contemplated before the election was held was completed with \$34,000,000 in authorized but unissued bonds left over. The court held that issuance of the remaining bonds to expand facilities would be valid because the only specific restriction was contained in a feasibility study and in promotional material distributed before the bond election; it was not contained

in the laws creating the district, nor in the district's ordinance calling the election, nor on the ballot. The court states (24 Cal. Rptr., at 435):

"The Municipal Utility District Act limited expenditure of the proceeds of the district's bonds authorized in 1958 to 'the objects or purposes for which the bonds were voted.' (Pub. Util. Code, sec. 13262.) The statutory restriction reflects the general rule, which restricts expenditure of the proceeds of publicly-approved bonds (O'Farrel v. County of Sonoma [1922] 189 Cal. 343, 348-349, 208 P. 117; Hills v. S. F. Bay Area Rapid Transit Dist. [1968] 261 Cal. App. 2d 666, 668, 68 Cal. Rptr. 317) and which rests upon theories that such restriction is contractual in nature, or that it derives from a status which is analogous to a contractual relationship, or that it is implicit in a requirement of popular approval for a given bond issue."

Again, it is not only the ballot language which the court said creates the contractual relationship with the voters, it is the language of the authorizing legislation as well. But the court held that feasibility studies and promotional material do not. In our case, we are concerned with legislation, not a feasibility study or promotional material. This line of reasoning extends at least as far back as the 1910 case of Jenkins v. Williams, 14 Cal. App. 59, 111 P. 116, which is squarely in point with our present situation.

In the Jenkins case, the relevant statute required the county board of supervisors to "by order specify the purpose for which the indebtedness is to be incurred . . ." The statute also required an election, with the ballot containing "a general statement of the amount and purpose of the bonds to be issued." In response to that statute, the board issued its order, specifying construction of seven roads and thirty bridges and stating the amount of money to be allocated to each road and bridge. The "general statement" on the ballot mentioned roads and bridges, without itemizing specific ones, and just set out the total number of dollars for roads and the total for bridges. (A courthouse construction project was also involved.)

One of the bridges was completed with a surplus of \$503.16 of the amount allocated for that bridge remaining. The plaintiffs performed work on another bridge and sought to have that \$503.16 applied to their contract price. Because of the specificity of the order of the board of supervisors (analogous to our ch. 221 SLA 1970), the court held that the funds could not be shifted. The court stated (111 P., at 118):

"The position taken by the plaintiffs at the trial and here is that the face of the ballot expressed the will of the voters, regardless of the

notice given to them by the order and proclamation of the board; that the \$225,000 was to constitute the bridge fund, and all of it could be lawfully used for the construction of one bridge if necessary; that the ballot sufficiently complied with the statute in making a 'general statement of the amount and purpose of the bonds to be issued.' If this position be correct, it would follow that the board might not only expend all the bridge bond money on a single bridge, but it might also expend all the road and highway money upon a single road, and this, too, in direct conflict with the order of the board and the proclamation and notice given to the electors. We cannot agree to this construction of the statute."

Noting that "the brief statement of the purpose upon the ballot identifies the proposition more fully set forth in the order of which the electors are fully advised by publication of the order", the court went on to say (id.):

"Here was \$600,000 which the voters were told was to be expended in constructing 7 different roads in the county and \$225,000 to be expended in constructing 30 different bridges, and we are asked to hold that these large amounts, ordered by the board for specific purposes, could be divided up and shifted about at the discretion or possible caprice of the board and for purposes in direct violation of its order and the statute. The order of the board was jurisdictional, without which the election and the bonds would have had no validity. The published order of the board formed an essential part of the propositions submitted to the vote of the electors, and it was the order which was ratified by them."

In our present situation, it was ch. 221 SLA 1970 which was ratified by the voters. Ch. 221 SLA 1970, in its section 2, itemized specific projects while allowing administrative discretion only as to the amount (and design, of course) to be used for each.

Further supporting this contract rationale is O'Farrell v. Sonoma County, 189 Cal. 343, 208 P. 117 (1922). In that case,

the order of the county board of supervisors specified the description, distance, and pro rata amount of money for each of several roads. The California Supreme Court held that, although the board's order legally could have been more general, the board chose to be specific and therefore was bound by the terms of its order (again, analogous to our ch. 221 SLA 1970) to apply the bond money as specified there. The order constituted a contract between the state and the electors which could not be modified by only one of the parties to that contract. (Also see Metropolitan Water District of So. Calif. v. Marquardt, 379 P.2d 28, 39 [1963].)

A similar rule on the use of public money obtains in other states. For example, see Bank of Lowell v. Cox, 279 P. 257 (Arizona, 1929); Independent Highway District No. 2 of Ada County v. Ada County, et al., 134 P. 542 (Idaho, 1913). The Arizona Supreme Court stated (279 P. at 262): "To hold that the money specifically authorized for one bridge might be used on another would be contrary to all principles governing the expenditure of public money."

Persons responsible for handling other persons' money - whether as a public official administering a program using public funds or as an individual trustee designated in a will - are vested with a certain amount of administrative discretion, but must nevertheless fulfill the purposes of the program and the trust and comply with restrictions in the creating instrument. In holding that, once the voters had ratified a specific bond resolution, the state legislature could not authorize the board of county commissioners to spend surplus bond funds on a road not included in the resolution's list of roads, the Florida Supreme Court stated, in Oven v. Ausley, 143 So. 588, 589 (1932): ". . . it is a violation of an elemental principle in the administration of public funds for those who are charged with the trust of their proper expenditure not to apply such funds to the purposes for which they are raised. \*\*\* When an enforced contribution is exacted from the people by the power of taxation, it is for a specific public purpose, and the fund so raised is a trust fund in the hands of the legal custodians of it."

Whether one applies a contract rationale, a trust rationale, or simply the express terms of the statute (ch. 221 SLA 1970), shifting bond funds from authorized uses to unauthorized ones is not permissible. As discussed above, under the contract rationale a contract arises not only from the wording of the ballot question, but from the authorizing Act too. Thus, the specific projects listed in sec. 2, ch. 221 SLA 1970 are binding as well as the general statement included in the ballot question. Under the trust rationale, the voters of the state

have, in effect, placed funds for certain purposes in the hands of their public officials, with ch. 221 SLA 1970 - including its sec. 2 - being the trust instrument.

And, under the express terms of the Act, there is little room for variation - neither from the general statement of purpose nor from the listing of specific projects. Since Article II, Section 1 of the Alaska Constitution vests the legislative power of the state in our legislature, and since no procedural or substantive impediment to its validity appears, ch. 221 SLA 1970 is as binding as are other valid laws. Those who administer our laws must act within the law.

Moreover, the wording of ch. 221 SLA 1970 is not vague or ambiguous. Nor does it appear to have resulted from legislative error or oversight. The history of the bill (Sixth Legislature's Senate Bill No. 435) which became ch. 221 SLA 1970 indicates the legislative intent. The bill was introduced at the request of the governor, who expressed a need for maintenance facilities to keep pace with the expanding highway system and to provide additional support facilities to insure adequate storage and repair of maintenance equipment (1970 Senate Journal, p. 149). That original bill provided for a bond issue of only \$1,900,000 and listed no specific locations. The Senate State Affairs Committee offered a substitute bill calling for \$11,100,000 and listing eighteen locations for the 1971 -- 1973 fiscal period (1970 Senate Journal, p. 556, incorporating two memoranda of the commissioner of highways). That substitute was rejected and the original bill passed the Senate. In the house, the Finance Committee offered a substitute calling for \$5,500,000 and listing only twelve locations. It was this version which finally passed both houses and became the enabling Act under discussion here. The three successive versions of the Act evidence a deliberate, intentional limitation as to where the money could be spent.

Further evidencing the deliberation preceding the writing of sec. 2, ch. 221 SLA 1970 is the fact that, of the eleven bond authorization Acts enacted in 1970, the corresponding provision of six of them contained some degree of specificity with regard to projects; the other five just contained a general statement of gubernatorial discretion. Extending the idea of limiting the executive branch's discretion, is AS 24.30.037 (enacted by ch. 70 SLA 1973), which requires each bond bill to contain "a statement of the scope of each major project included in the proposed bond issue."

In discussing generally the power of a state to issue bonds, and citing Almond v. Gilmer, 188 Va. 22, 51 S.E.2d 272, 81 C.J.S., States sec. 179, declares that "State boards and officers may obligate themselves and the state only in pursuance

to the terms and in conformity with the provisions of the authorizing statute." It follows that use of the money produced by issuance of those bonds must also comply with the authorizing statute. Again, in discussing issuance of bonds, and citing In re State Treasury Note Indebtedness, 135 Okl. 10, 90 P.2d 19, 81 C.J.S., States sec. 183 continues "Specific provisions in the authorizing act control over any more general provisions." Thus the specific provisions of sec. 2, ch. 221 SLA 1970 control over the general purpose statements in secs. 1 and 7 of that Act.

#### CONCLUSION

The proceeds of bonds issued under ch. 221 SLA 1970 must not be used for "highway maintenance facilities" in general but just for the specific facilities listed in that Act. This does not mean that the money should be wasted by making the needed facilities more luxurious or by building facilities which are not needed.

You did not mention whether all of the bonds authorized have been sold -- \$5,500,000. If some of the bonds have not yet been issued, and no more money is needed for the facilities which are determined to be necessary, simply do not issue those bonds. If there is a question as to what to do with existing surplus money - whether or not all of the authorized bonds have been issued - it should be taken from the "1970 Highway Maintenance Facilities Construction Fund", created under sec. 4, ch. 221 SLA 1970, and put in the "1970 Highway Maintenance Facilities General Obligation Bond Redemption Fund", created under sec. 5, ch. 221 SLA 1970. As Bond Counsel C. Richard Walker advised in his January 19, 1973 letter to Commissioner Stevenson concerning ch. 189 SLA 1970 and sec. 3 of pending HB 47, "If the State government determines that [this money] should not be expended for the purpose for which the voters authorized [it] to be expended (and the purpose for which the bondholders loaned the money in question), it is natural and logical that the State should achieve, as nearly as possible, the same result as if the bonds had never been issued. This can be accomplished by transferring the unexpended proceeds to the fund dedicated to the payment of the bonds. That is the result commonly provided for by statutes dealing with situations of this kind."

The California Supreme Court concluded its decision in the Jenkins case, supra, with the observation:

"It seems to us that the views herein expressed are consistent with the letter and spirit of the statute, and that the construction contended for by [those who would seek to shift the funds] would open

Joseph R. Henri

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April 26, 1974

the door to possible, if not probable, dangerous abuse of power, and would take from the vote of the people all its significance as well as defeat its purpose."

Very truly yours,

NORMAN C. GORSUCH  
ATTORNEY GENERAL

By:

Arthur H. Peterson  
Assistant Attorney General

AHP:fw

cc: The Honorable Bruce Campbell  
Commissioner  
Department of Highways

Minutes of SUBCOMMITTEE ON HIGHER EDUCATION

February 19, 1975...8 a.m.

House HESS Committeeroom

Present

Senators George Hohman  
John Huber  
Representatives  
Helen Beirne  
Mike Miller  
Kathryn Ostrosky  
(Chairperson)  
Charles Parr

Absent

Senators John Sackett  
Representatives  
Bob Bradley

Guest

Stuart Hall, Legislative Affairs Agency

The meeting was called to order with the following agenda:

1. Contract with McLean & Associates.

A motion was made by Sen. John Huber and seconded by Sen. George Hohman, to recommend to the Legislative Council that the contract with McLean & Associates for February 1975 to January 31, 1976 be accepted.

The committee urged that the contract include appearances for consultation every 6 weeks or the equivalent of that frequency.

2. Appointments to Post-Secondary Education Commission.

It was agreed to urge speedy action on naming of appointees by Legislative Council, Budget & Audit, and Governors selection before the March 1 deadline.

3. Resume of Bills from past Interium Subcommittee.

House Bills 142, 143, and 144 were reviewed by Stuart Hall, of the Legislative Affairs Agency. see attachment

The Meeting was adjourned.

The next Meeting will be called by the Chairperson, Rep. Kathryn Ostrosky.

However, we have reason to believe that some of these, at least, prompted the University to engage in in-depth self-studies of its program and its future and to attempt to make changes in certain budgetary, management and personnel practices and procedures that perhaps otherwise would not have occurred. Additionally, we introduced and guided to enactment legislation making important revisions in the student financial aid program of scholarship loans, tuition grants and saw the establishment of a memorial scholarship loan program which permits the state's employees, in the latter instance, to make contributions of annual leave for particular scholarships identified with prominent Alaskans in special fields of endeavor.

In 1974 the Legislature enacted a measure of great significance. Following the lead of the Congress in enacting the Education Amendments in 1972, this Legislature established the Alaska Commission on Post-Secondary Education. Although the Commission has not as yet been formally organized, we believe this Commission will provide an important focal point for coordinating the planning of future higher education development in this state. We think it is important to remind our colleagues that this agency, which will operate independently of, but for administrative purposes only within the Department of Education, has been assigned the administration of all of the higher education and post-secondary programs that are not part of the administration or operation of our statewide university or of any other private institutions and colleges in the state. The Commission has both important advisory responsibilities as well as administrative duties imposed upon it and we have urged the Governor to enable this Commission to get an early start in its work by appointing the five public members and the interim representative of the community colleges at the earliest possible moment.

Turning now to the legislation we recommend to you for 1975, we are submitting today five measures. First, two memorial resolutions, one in the Senate and one in the House, honoring the memory of two noble leaders in higher education in Alaska, Dr. Orin R. Stratton, the retired president of Sheldon Jackson College in Sitka and William A. (Bill) O'Neill, for 25 years a member of the University of Alaska's Board of Regents.

H.B. 1442  
There is, in addition, a bill which makes technical corrective amendments to the Alaska Commission on Post-Secondary Education Act, Chapter 78 of the Session Laws of 1974. The 1974 Legislature, which established the Commission, made the Commission responsible for the administration of the State's participation in the Western Interstate Compact on Higher Education. Prior to 1974, the program was administered by the Governor's office and by one of the Commission's members who was usually a member of the faculty or administration of the University of Alaska. However, in transferring the State's participation in WICHE from the Governor's office to the Commission, we neglected to change the certifying officer for the program, a function now performed by Dr. Don Dafoe, one of the State's WICHE commissioners and Executive Vice-President of the University of Alaska. At his suggestion, we are designating the executive officer of the Alaska Commission on Post-Secondary Education as the certifying officer for the State's participation in the WICHE. Other sections of the bill merely correct omissions of language that should have been incorporated in the statute passed at the last session,

corrects other incorrect cross-references and clarifies some of the wording to conform to the language of the student financial aid program revisions made by Chapter 136 of the Session Laws of 1974.

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We turn now to the two most important measures which we are submitting to you. First, we once again recommend that the existing community College Act, which dates back to 1962, be revised. We recommended similar legislation to the Eighth Alaska State Legislature, Second Session, in the form of House Bill 541, which passed the House but which remained in the Senate Committee on Health, Education & Social Services. During the between session interim period, your Interim Committee on Higher Education re-examined this proposed revision of the Community College Act and presents to you essentially the same bill, but with some changes to which we call your attention. First, as in the 1974 measure, the bill establishes criteria for the creation of community colleges and extension centers and requires for the first time that a feasibility study of the need for a college or center be completed by the proponent of it before it is established. Although the study must be approved by the Board of Regents, the 1975 legislation now permits the feasibility study to be prepared by citizens in the community desiring the community college, by the Board of Regents itself or by the Legislature, the Alaska Commission on Post-Secondary Education, or the State Advisory Council on Community Colleges, which will be organized by the Commission once it itself is organized and in business. Extension centers are authorized as an alternative to a community college in those areas where a comprehensive community college program is not warranted in terms of educational needs, as determined by the feasibility study.

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Secondly, the bill eliminates the present requirement that two sets of financial records and two sets of personnel records be maintained for degree and non-degree programs sponsored respectively by the University of Alaska and the local school district or municipality with which the University contracts for the establishment of a community college. The present situation is confusing and often results in a local community college not receiving back revenues for non-degree or community interest courses paid for by students for that purpose. The bill requires the University to prepare a complete program budget for each community college, showing all sources of revenue, a procedure which the University is not presently obliged to do. Thus, the Legislature will get a better picture of community college and extension center programs and operations.

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Thirdly, the bill establishes a vice-president for community colleges as the principal administrative officer in the statewide administration who is to be responsible for the community college and extension center system within the University. He will work with the community college and regional administrators, at the same time giving the community colleges direct access to and representation in the office of the president of the university. Under the present administrative arrangement, the community colleges are merely assigned to one of the other officers of the University as an additional duty and not as a principal responsibility. We think that because the community college students represent by far the greatest proportion of the enrollment in the University of Alaska's statewide system, they are entitled to far more meaningful representation in the statewide administrative structure