

ALASKA LEGISLATURE COMMITTEE FILES 1900-1900 00/2

4295 SRES SB 472 - SB 485 1175

The definition of mental health is not clear, and was not defined by the courts. The parties may agree to a definition or the court may be asked to define it for these purposes.

The department's cost estimate for an independent audit includes the accounting for a broad range of possible mental health expenditures. Auditing all possible expenditures and then applying those relevant to the final definition would be cheaper than presupposing the definition of mental health and then reperforming the audit should the definition be expanded beyond the original scope.

Department audit staff could perform this audit at a negligible cost if it is determined that a private firm is not needed. DHSS audit staff includes 3 CPAs who regularly perform hundreds of audits per year.

Should it be determined that the department perform this function in-house, the proposed language would have to be amended to delete the word "independent" in section 4(1).

PROPOSED AMMENDMENTS

TO: 3/31/86 DRAFT of "An Act relating to the interim management of the mental health trust; and providing for an effective date." (14-2030)

Page 3, line 20, following "resources"

~~Insert~~ Insert "as trustee"

*Remainder in 2 previous amendments & this re-commission of Trust*

Page 4, lines 1-3:

Delete all material and insert the following:

*John Sandoz  
Paul Clardy  
George Rogers*

"(d) In managing the Alaska Mental Health Trust and the trust land, the Commissioner shall seek to maximize the income earned and received by the Trust consistent with the trustee's obligation to protect and perpetuate the Trust. The proceeds from the management of the Mental Health Trust and the trust land must be deposited in a special trust account in the general fund of the State and are subject to appropriation by the Legislature. The funds in the mental health Trust account shall be utilized first to meet the necessary expenses of the mental health program of Alaska before they are utilized for any other purpose.

*no*  
*Federal Law says no commitment*

~~Commitment~~

Page 4, line 25:

Delete "July 1, 1987" and insert "upon the effective date of an act designating a permanent trustee for the Alaska Mental Health Trust and providing for the management of the Alaska Mental Health Trust"

Comment:

The responsibilities of the interim Mental Health Trust Commission and the Department of Natural Resources can only be accomplished by funding this effort at a realistic level, taking into account the requirements for Commission and Department staff, travel and meeting schedule and the responsibilities imposed upon the parties charged with implementing this legislation. There will be very large savings if the interim commission and the permanent trustee contemplated by this legislation succeed in laying to rest the issues involved in State of Alaska v. Weiss.

Sec. 3 - Part of the responsibilities of the commissioner and commission have already been fulfilled. Suggest, therefore that the following be substituted for the beginning of subsection 3 (a), commencing on line 5, page 3:

- (a) The commissioner of natural resources shall inventory and maintain appropriate title and status records pertaining to [CATALOG] the mental health trust land of the state and, to the extent necessary, shall audit....

Mike

April 8, 1986

The Honorable M. Mike Miller  
Chair, House Judiciary Committee  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Dear Representative Miller:

During yesterday afternoon's hearing on CSSSB 128, related to a mental health lands commission, a member of your committee asserted that the proposed commission was the proper forum for determining the disposition of mental health lands, since the Alaska Mental Health Enabling Act (AMHEA) made clear that the lands were to be used for mental health purposes.

The AMHEA assigns to the legislature of Alaska the authority to determine the disposition of mental health lands. Section 202(e) of the Act provides as follows:

All lands granted to the Territory of Alaska under this section, together with the income therefrom and the proceeds from any dispositions thereof, shall be administered by the Territory of Alaska as a public trust and such proceeds and income shall first be applied to meet the necessary expenses of the mental health program of Alaska. Such lands, income and proceeds shall be managed and utilized in such manner as the Legislature of Alaska may provide. Such lands, together with any property acquired in exchange therefor or acquired out of the income or proceeds therefrom, may be sold, leased, mortgaged, exchanged, or otherwise disposed of in such manner as the Legislature of Alaska may provide in order to obtain funds or other property to be invested, expended or used by the Territory of Alaska. The authority of the Legislature of Alaska under this subsection shall be exercised in a manner compatible with the conditions and requirements imposed by other provisions of this Act. (emphasis added)

The Honorable M. Mike Miller

-2-

April 8, 1986

I hope this information is useful to your committee's deliberations.

Sincerely,

Robert D. Arnold  
Deputy Commissioner

Offered: 4/9/86  
Referred: Judiciary and Finance

Original sponsors: Pignalberi and M.M.Miller

Funding Information  
General Fund \$797,500  
Other Funds -0-  
\$797,500

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

1 IN THE HOUSE

2

CS FOR HOUSE BILL NO. 625 (HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act making a special appropriation implementing

7

Weiss v. State; and providing for an effective date."

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

9

\* Section 1. PURPOSE. (a) The Alaska Supreme Court has issued its  
10 decision in the mental health trust land litigation: State v. Weiss, 706  
11 P.2d 681 (Alaska 1985). In Weiss v. State, 4FA 2208 Civil, the superior  
12 court is considering the issuance of orders implementing the supreme's  
13 court's decision. It is the purpose of this Act to provide interim funding  
14 to comply with the orders of the supreme court and the superior court in  
15 this case and to allow the parties to resolve the lawsuit, either by set-  
16 tlement or court order.

17 (b) To effectuate the beneficial purposes of this Act, the legisla-  
18 ture intends that secs. 4 and 5 of this Act be liberally construed by the  
19 supreme court and the superior court to permit the expenditure of funds to  
20 allow the plaintiffs and the intervenors to participate fully in the liti-  
21 gation and the settlement.

22 (c) The legislature intends that funds appropriated under this Act  
23 may be released only upon an order of the supreme court or the superior  
24 court in Weiss v. State.

25 \* Sec. 2. The sum of \$487,500 is appropriated from the general fund to  
26 the Department of Natural Resources, to be allocated as follows:

27 (1) for the identification and appraisal of land that has had  
28 status as Alaska mental health trust land: \$304,000;

29 (2) for an accounting of Alaska mental health trust land and the

1 income received by the state from the land from 1978 through

2 1985: \$40,800;

3 (3) to provide management oversight of all transactions involv-  
4 ing Alaska mental health trust land and income received from Alaska mental  
5 health trust land: \$142,700.

6 \* Sec. 3. The sum of \$20,000 is appropriated from the general fund to  
7 the Department of Health and Social Services for a determination of ex-  
8 penditures for the mental health program from 1978 through 1985.

9 \* Sec. 4. The sum of \$250,000 is appropriated from the general fund to  
10 the Department of Law for payment for past and present attorney fees and  
11 costs of the plaintiffs and intervenors in Weiss v. State.

12 \* Sec. 5. The sum of \$40,000 is appropriated from the general fund to  
13 the Department of Health and Social Services for payment as a grant to the  
14 Alaska Alliance for the Mentally Ill and to the Alaska Mental Health Asso-  
15 ciation for expenses directly related to Weiss v. State and its settlement.

16 \* Sec. 6. The unexpended and unobligated portion of the appropriations  
17 made by secs. 2 - 5 of this Act lapses into the general fund June 30, 1987.

18 \* Sec. 7. Each appropriation made in secs. 2 - 5 of this Act is con-  
19 ditioned on the issuance of a court order in Weiss v. State directing a  
20 payment consistent with the purpose stated in the section.

21 \* Sec. 8. This Act takes effect immediately in accordance with AS 01.-  
22 10.070(c).

# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

POUGH M  
JUNEAU, ALASKA 99811  
PHONE: 907-465-2400

April 7, 1986

The Honorable M. Mike Miller  
Chair, House Judiciary Committee  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Dear Representative Miller:

I am writing to provide Department of Natural Resources comments on HB 128 which is scheduled for hearing in your committee today. This bill would establish an interim committee to oversee mental health land management by the department. I understand that HB 651 is not formally scheduled but can be discussed. Since your intent is to move HB 128, I will address several areas for which the department offers amendment.

### Amendment 1

Section 3 requires several actions by the department, some of which are already completed or will be completed this fiscal year. As a technical amendment I suggest the following:

Amend Section 3, page 3, commencing on line 5 as follows:

- (a) The commissioner of natural resources shall inventory and maintain appropriate title and status records pertaining to [CATALOG] the mental health trust land of the state and, to the extent necessary, shall audit....

### Amendment 2

I recommend deleting the last sentence in subsection 3(a), page 3, lines 11-13, since all such department records are freely available.

### Amendment 3

Subsection 3(c) requires the commissioner to take whatever disposal actions the commission desires in maximizing the income earned from mental health land. Since there is substantial disagreement about the meaning of the Supreme Court's decision in Weiss v. Alaska, the Attorney General is

APR 7 1986

FA

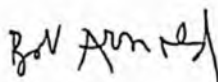
April 7, 1986

considering seeking clarification of that decision by the Superior Court. One of the questions that would be posed is whether the state has an affirmative obligation to manage mental health lands for maximum revenue generation. In order to avoid prejudging this issue, we suggest that subsection 3(c) be amended as follows:

(c) The commissioner of natural resources is responsible for the management of the mental health land of the state as a public trust under P.L. 84-830, 70 Stat. 709, under the direction of the commission. [THE COMMISSION MAY CONTRACT WITH THE PLAINTIFFS OR THE INTERVENORS FOR THE PERFORMANCE OF FUNCTIONS ASSIGNED TO IT.] The commissioner of natural resources may not sell, lease, or exchange mental health trust land of the state or an interest in the mental health trust land of the state without the prior approval of the commission. [THE COMMISSIONER OF NATURAL RESOURCES SHALL SELL, LEASE, AND EXCHANGE MENTAL HEALTH TRUST LAND OF THE STATE AS DIRECTED BY THE COMMISSION.] In managing the trust and the trust land the commission [AND THE COMMISSIONER] shall deny or approve actions consistent with the terms of the trust established by the Alaska Mental Health Enabling Act. [SEEK TO MAXIMIZE THE INCOME EARNED AND RECEIVED BY THE TRUST CONSISTENT WITH A TRUSTEE'S OBLIGATION TO PROTECT AND PERPETUATE THE TRUST.]

I will be available to testify and answer questions at today's hearing. If there is additional information I might supply, please let me know.

Sincerely,



Robert D. Arnold  
Deputy Commissioner

cc: Representative Pignalberi  
Representative Gruenberg  
Senator Fahrenkamp  
Senator Sturgulewski  
Senator Josephson  
Jim Gottstein  
David Walker  
Tom Koester, Department of Law  
Jim Ayers, Governor's Office  
Molly McCammon, Governor's Office  
Tom Hawkins, DLWM  
Salli Slaughter, DLWM

STATE OF ALASKA 1986 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date : 4/7/86

**REQUEST**

Bill/Resolution No. : CSSSHB 128  
 Title : Interim Mental Health Land Management Commission  
 Sponsor : Pignalberi  
 Requestor : House Judiciary  
 Date of Request : 3/24/86

**FISCAL DETAIL**

Agency Affected : Natural Resources  
 BRU : Land & Water Management  
 Components : \_\_\_\_\_

**EXPENDITURES/REVENUES : (Thousands of Dollars)**

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		308.5	270.7			
TRAVEL		33.0	32.0			
CONTRACTUAL		333.9	37.8			
SUPPLIES		9.6	9.1			
EQUIPMENT		3.0				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>		<b>688.0</b>	<b>349.6</b>			

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
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**FUNDING : (Thousands of Dollars)**

GENERAL FUND		688.0	349.6			
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>		<b>688.0</b>	<b>349.6</b>			

**POSITIONS :**

FULL-TIME		7	6			
PART-TIME						
TEMPORARY						

**ANALYSIS :** Attach a separate page if necessary

SEE ATTACHED

Prepared by : Mike Vediner Phone : 465-2400  
 Division : Commissioner's Office Date : 4/7/86  
 Approved by Commissioner : *Thomas D. Arnold* Date : 4/7/86  
 Agency : Department of Natural Resources

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Department of Natural Resources  
4-7-86  
CSSSHB 128  
Revised Fiscal Note Addendum

Analysis

Several detailed reports, audits, and appraisals would be required under this bill, and indeed are required under the Supreme Court decision in Weiss v. Alaska, as interpreted by the Attorney General's Office. No funding is included for contracting with the plaintiffs and intervenors in the case.

FY 87

1. Account for all funds or land received from conveyances and exchanges made between July 19, 1978 and October 4, 1985. Estimated costs: \$40,800.

We estimate that 4,650 cases (2,370 land conveyances, 1,370 mining claims, 390 rights-of-way, 275 land leases, 25 timber or material sales, 110 oil and gas or coal leases, and 110 miscellaneous cases) will have to be audited to determine the amount received and/or appraised. Land discounts will have to be accounted for during this process. This process will take a Natural Resource Officer I approximately one year (37.8 personal services; 1.0 travel; 1.5 contractual; 0.5 commodities).

2. Identify and appraise all less than fair market value conveyances and encumbrances. Estimated costs: \$304,800.

These appraisals will be performed contractually. However, the department must prepare reports and maps containing information about each parcel before the contract can be let. We also note that these appraisals cover only those mental health parcels that are no longer in trust status. The approximately 700,000 acres in trust status are not to be appraised. If section 3(b) of the bill intends that all mental health land be appraised, then the cost will be \$1,206,100.

The reports and maps must take approximately 1,100 parcels into consideration. We expect this project to take a single Natural Resource Officer I three months to complete. Additionally, the project will need funding for supplies and contractual clerical services (9.5 personal services; .5 contractual; .2 commodities).

The appraisals are expected to cost \$294,600. We project that approximately 820 parcels totalling 268,000 acres will need appraisals at an estimated cost of \$215,000. This figure could be reduced to \$28,000 if the department uses

the Opinion of Value panel method similar to that used in meeting the court stipulated appraisal for mental health land values as of July 19, 1978. The Opinion of Value method has been criticized by the plaintiffs and intervenors.

In addition, approximately 276 leases must be reappraised at five-year intervals. Currently these leases may not be reappraised for twenty-five years which will create a discrepancy with fair market value rental. The approximate cost of these lease reappraisals is \$79,600.

3. Provide management oversight of all transactions and account for funds received from mental health lands.  
Estimated costs: \$142,700.

Statewide trust management oversight can be provided by a Natural Resource Manager II with support from a Natural Resource Officer I. That manager would be expected to review a large number of transactions, with research assistance from a subordinate, to ensure that the trust is not breached. It is expected that the manager will also provide the necessary coordination between the department and the plaintiffs, and will be required to travel.

Accounting functions can be broken into two parts: ongoing accounting services, and an independent audit. An accounting Technician I will be needed to receive and separately process that portion of the approximately \$1.5 billion taken in by DNR annually that should be assigned to the mental health accounts.

Line items in this total are: 124.0 personal services; 6.0 travel; 11.3 contractual; and, 1.4 commodities.

4. Provide administrative support to the commission.  
Estimated costs: \$53,600.

The department would need to provide administrative support to the commission which includes arranging meetings, ~~preparing briefing packets, documenting meeting results, and~~ clerical support. The Natural Resource Officer I listed in item 3 above could assist with the details of action review and a Clerk Typist III would be needed to assist with typing and organization of meetings. Contractual monies would cover duplication costs, phone charges, postage, etc. Travel and per diem funding is for meetings of the commission. Commodities money is to cover routine supplies and maps (27.1 personal services; 18.0 travel; 6.0 contractual; 2.5 commodities).

5. Executive Director and secretary for Commission.  
Estimated costs: \$146,100.

The executive director receives a monthly salary at the division director level (range 26). Office support is provided by a secretary (range 10). Both persons serve in the exempt service. Travel funding enables the director to meet regularly with the diverse mental health constituent groups. Contractual funding provides office space and overhead. Equipment funding is for a one time purchase of office equipment. Line item totals are: 110.1 personal services; 8.0 travel; 20.0 contractual; 5.0 commodities; and, 3.0 equipment.

FY 88

All anticipated court ordered reports will be completed in FY 87. Therefore, FY 88 costs will be substantially reduced. Support for the commission will include 3 months of an NRO I, the clerk typist III, and similar support costs (36.6 personal services; 18.0 travel; 6.5 contractual; 2.7 commodities).

The department would continue to provide the oversight function described in item 3 for FY 87 with costs of 124.0 personal services, 6.0 travel, 11.3 contractual, and 1.4 commodities.

The executive director, staff, and support costs, minus equipment, continue in FY 88: 110.1 personal services; 8.0 travel; 20.0 contractual; and, 5.0 commodities.



THE ALASKA  
**ALLIANCE FOR THE MENTALLY ILL**

MAR 11 1986

*"An affiliate of the National Alliance for the Mentally Ill"*

March 11, 1986

Honorable Don Bennett  
President of Alaska State Senate  
Alaska State Legislature  
Juneau, Alaska 99801

Dear Senator Bennett and Members of the Senate:

The Alaska Alliance for the Mentally Ill believes it is essential that some legislation address the mental health lands dispute this session and appreciates the opportunity to present its position to the members of the Senate.

In addition to the proposed interim joint committee (either SCR 36 or HCR 50) the Alliance supports HB 128 as a further vehicle needed for resolution of the mental health lands dispute. Basic concepts embodied in this bill which we believe are essential to this or any other legislation are:

- The direction of the Supreme Court to reconstruct the trust must be implemented.
- A process for resolution of the mental health lands dispute must be set in motion
- Authority must be vested in an independent interim board to direct the necessary appraisals, inventories, and research; to oversee the management of the trust lands; draft proposed settlement legislation acceptable to all parties; and conduct other trust responsibilities.
- Representatives of the plaintiffs and intervenors (as well as legislators) must be part of the interim board and be funded sufficiently to responsibly review the State's audits, appraisals, and program expenditures and participate in consensus building efforts between the mental health community and the State.
- Sufficient funding must be made available for the departments of Natural Resources and Health and Social Services to conduct the necessary appraisals, audits, research and inventories required by the court order.
- Increased funding for the Division of Mental Health to address needs through the operation budget and SB 388/HB 412 initiating programs for the chronically mentally ill to demonstrate the legislature's intent to correct past inadequacies in mental health programming.

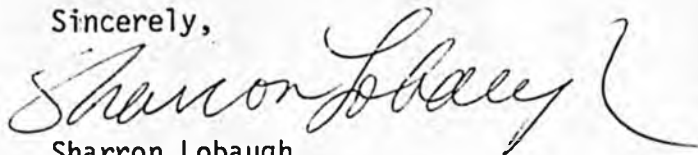
Our overall goal in resolving the mental health lands issue is to develop a

trust of sufficient size to adequately fund mental health programs for future generations.

The Alliance has voted to endorse the transfer of representation for the class from William Council to David T. Walker both of Juneau. The Alliance has agreed to serve as advisory to Mr. Walker on behalf of the class and are working closely with him on this issue. If you have any questions regarding the legal issues of this legislation, please contact him at 586-3537.

This session, Pat Clasby (789-2317) and George Rogers (586-1202) are legislative liaisons for the Alliance. We also have active professionals and family members statewide who are available to participate at any time. Please feel free to contact me if there are further questions.

Sincerely,



Sharron Lobaugh  
Vice President, Alaska Alliance  
for the Mentally Ill

cc: Representatives:

Pignalberi, Miller, Gruenberg  
Office of the Governor  
Commissioners HESS and DNR  
Alaska Mental Health Association  
David Walker  
Alliance Chapters

## POSITION OF THE ALASKA ALLIANCE ON MENTAL HEALTH LANDS

Before transferring care of the mentally ill to Alaska, Congress in 1956 provided \$12.5 million in transition appropriations and one million acres of land to be managed as a "public trust" to carry out "plans for an integrated mental health program for the Territory, including outpatient and inpatient care and treatment." This would be the basis for determining "necessary expenses" which had a first claim on the proceeds of the trust.

Except 1977-81 Alaska operated without a plan, the program simply being budgeted annually without needs assessments or program priorities. Without a plan there is no basis for a mental health program or its "necessary expenses."

Furthermore, mental health lands were treated as general lands without separate accounting. This was formalized by 1978 legislation redesignating these lands as general grant lands. This was challenged in 1982 and on October 4, 1985 the Alaska Supreme Court ruled that the trust established by the Congress had been breached and ordered it reconstituted.

The Legislature has recognized the necessity for responding to the issues raised by the court's order and the past mismanagement of the trust lands both in protecting the welfare of mentally ill Alaskans and removing restraints on future land management. There is need, however, to make a choice among the several proposals under consideration and the Alaska Alliance for the Mentally Ill and its community alliances has its recommendations.

The Legislature recognizes the complexity of problems thirty years in the making and that their resolution cannot be arrived at within one session. Accordingly each house has introduced concurrent resolutions (SCR 36 and HCR 50) to create an interim joint committee to study and propose resolution of the trust litigation and recommend an adequate mental health program. These are very similar, but the Alliance has a preference for the Senate version.

The Legislature also recognizes that at present there is no statutory authority providing for interim management of the trust lands as a trust and two proposals have been introduced to meet this need. HB 651 proposes a non-paid six member management commission within the Department of Natural Resources to manage the lands and seek to maximize the income. HB 128 proposes an interim and independent commission which in addition to these trust responsibilities would also carry out all the necessary inventory, accounting and appraisal functions necessary for settlement of the litigation. The Alliance recommends passage of HB 128 because it holds the greatest promise for a resolution in keeping with the original intent of the Congress and the Court.

The lack of an appropriate mental health program for Alaska is being addressed by the Department of Health and Social Services in a five year plan currently being drafted and in two companion bills (HB 412 and SB 388) providing for community based and locally or regionally coordinated care and treatment. This legislation is critically needed and the Alliance urges its passage this session.

George W. Rogers

*Geo. W. Rogers*  
March 11, 1986

# Mental Health Trust Lands: Legislators Grapple With Issue

By Rep. John Ringstad

One of the many underlying financial issues being discussed in this legislature is the legal and/or financial remedy involving the Mental Health Trust Lands issue. Now you might wonder how does mental health lands have anything to do with the finances of the state.

Well, depending on how we handle the issue, the state could find itself with a liability totaling hundreds of millions in order to comply with the recent Supreme Court decision regarding the redesignation of mental health lands.

Let me explain a bit further by way of a historical background.

In July 1956, Congress passed the Alaska Mental Health Enabling Act, transferring from the federal government to the Territory, fiscal and functional responsibilities for the hospitalization, treatment and care of the mentally ill in Alaska.

In order to financially ensure mental health programs, Congress designated one million acres of federal lands to be conveyed to the state as an economic base for the mental health trust.

All the proceeds from the lands were to be used for mental health issues, any remaining funds could be appropriated by the legislature for other public purposes at its discretion.

The state selected its mental health lands between 1956 and 1966. Most of the lands were near large population centers and other areas believed to be valuable in subsurface resources.

To date, 983,100 acres of mental health designated lands have been transferred to state ownership. Of this amount, nearly 350,000 of these mental health designated lands have been conveyed to other entities; 37,790 acres have been transferred to municipalities, 29,000 acres to the University of Alaska, other encumbered land amounts to 150,000 acres in parks, 47,700 in fish and game management units, and 3,700 acres in interagency land management sites.

There are also other lands in which only partial conveyances have taken place.

In 1978, the legislature, under pressure to provide a statewide land disposal program and to fulfill municipal entitlements, redesignated all mental health trust land to general grant lands.

By this time the state has already conveyed much of the mental health trust land to other entities.

The legislation also provided for (as a trade off for redesignating the mental health lands) a mechanism of funding the mental health trust fund, by requiring that 1.5% of all revenue derived from the management of state land, including proceeds from the sale or lease of subsurface rights, mineral lease rentals, royalties, royalty sale proceeds, and federal mineral revenue-sharing payments or bonuses, be placed in the mental health trust fund.

However, none of the revenues received were ever deposited into the trust fund.

If they had been, revenues from the management of state lands would have totaled \$9.8 billion from FY 78 to FY 85. Subsequently of that total amount, \$147 million would have been available in the trust fund account for use in state mental health programs.

In November 1982, the Alaska Mental Health Association as original sponsor, filed a suit in Superior Court, claiming that the state had breached the federal Congressional law by redesignating the mental health trust lands as general grant lands and subsequently selling this land in violation of the trust, using the funds for other than the intended public purposes.

This suit also contended that the state had failed to establish a separate account for the trust fund.

In September 1984, the Superior Court agreed and ordered the state to reimburse the trust for the full value of the land that was redesignated by the 1978 legislature.

The state in attempting to concur with the court order, assessed the land previously conveyed to have a (1978) value of \$250 million.

The Court ordered that interest was also due the trust up until the time the appraisals were actually completed (April 3-85) which could bring the total due the trust to over \$600 million (which is one-sixth of the state's total budget).

The state then appealed the decision to the Supreme Court.

In October 1985, the Supreme Court upheld the lower court's decision. The Court determined that the state had, in fact, breached the federal law by redesignating the mental health



trust lands. The remaining lands that were still in state ownership had to be returned to trust status and the Court required the state to reimburse the trust fund for land conveyed, minus a credit for all appropriations that had been made for mental health programs.

The Court stated that the Dept. of Natural Resources should manage the mental health lands separate from general grant lands until such time that details for the settlement, including the future management of the mental health lands, was approved by the Superior Court.

Where do we go from here?

First off, we have in place a temporary interim management system, administered by the Dept. of Natural Resources, which was ordered by the Supreme Court.

Secondly, we need to set up an administering body which will more fairly represent all the interests involved in this issue: state administration, legislative, mental health proponents with the immediate goal of administering the trust and the ultimate goal of determining a permanent solution for administering the mental health trust.

This solution must be approved by the Superior Court.

Such administrative authority must be provided for in statute, which at this time there is none, since the courts found the entire redesignation statute of 1978 invalid.

I'm optimistic the legislature will remedy this vital statutory problem during this legislative session. In an early attempt to achieve this goal, there have been two bills and one resolution introduced in the house to establish administrative bodies for the trust.

HB 651 would establish a permanent Mental Health Trust Land Management Commission.

HB 128 would establish an Interim Mental Health Trust Land Commission.

HCR 50 establishes within the legislature a Joint House and Senate Committee on the Mental Health Trust Lands for the purpose of developing a proposal to solve the litigation and recommend a level of appropriate funding for mental health needs.

The joint committee would report back to the first session of the next legislature.

There is an on-going dialogue between all parties as to how this issue will be resolved in a fiscally responsible manner and at the same time insure that the financial needs of the mental health community are adequate, in that the legislature has the power to determine the level of these needs and thereby determine the level of funding.

The main obligation of the legislature is to insure that the original mental health trust is reimbursed and reinstated through land exchanges and/or cash reimbursements, which is one of the main points of contention between the state and mental health advocates.

At present all activities on

—Continued on page 24

**Kingstad** . . .

—Continued from page 3

the originally designated mental health trust lands, particularly those that have not been conveyed, has been stopped. It is my intention to do a follow-up report on this issue before the end of the legislative session.

SENATE HEALTH, EDUCATION AND SOCIAL SERVICES  
MARCH 25, 1986  
1:36 P.M.

FA

MEMBERS PRESENT:

Senator Bettye Fahrenkamp, Chairman  
Senator Edna DeVries  
Senator Paul Fischer  
Senator Joe Josephson  
~~Senator Arliss Sturgulewski~~

COMMITTEE CALENDAR:

SCR 36 Establishing a joint special committee on mental health trust land.

WITNESS REGISTER:

Sandra Schubert  
Senate Health, Education and Social Services Staff  
P.O. Box V  
Juneau, AK 99811  
Position Statement: Overview, history of mental health lands litigation.

Bob Arnold, Deputy Commissioner  
Department of Natural Resources  
P.O. Box M  
Juneau, AK 99811  
Position Statement: Support for SCR 36.

John Pugh, Commissioner  
Department of Health and Social Services  
P.O. Box H-01  
Juneau, AK 99811  
Position Statement: Support for SCR 36.

Jim Gottstein  
406 G St., Suite 206  
Anchorage, AK 99501  
Position Statement: Support for SCR 36.

John Sandor  
3311 Foster Ave.  
Juneau, AK 99801  
Position Statement: Support for SCR 36.

Sharron Lobaugh  
3340 Fritz Cove Road  
Juneau, AK 99801

Position Statement: Support for SCR 36.

ACTION NARRATIVE:

TAPE ONE SIDE ONE

Number 025

Sandra Schubert, Staff, Senate Committee on Health, Education and Social Services, gave a brief overview of the history of the mental health lands trust. In 1956, the federal government granted one million acres to the state for a mental health trust. The lands were redesignated in 1978 as general grant lands. In 1982, the Alaska Mental Health Association filed suit against the state for breach of the trust. The State Supreme Court directed the state in 1984 to reimburse the trust for the full value of the land that was redesignated. The state appealed. On October 4, 1985, the State Supreme Court ruled that the state had breached the trust and that it must be reconstituted.

Number 184

Bob Arnold, Deputy Commissioner, Department of Natural Resources, spoke in support of SCR 36, as well as creation of a Mental Health Trust Land Commission. He expressed preference for legislative solutions to the issue, rather than on-going litigation, although some court clarification may be necessary.

Number 573

Arnold noted that representatives of the Departments of Law, Health and Social Services, and Natural Resources have met several times to discuss the mental health lands issue. Currently, the Department is taking management steps such as denying activities on mental health lands that don't generate fair market value, the appointment of a mental health lands officer, and identifying all lands that were once in the trust.

Number 790

Arnold said that of the 1 million acres of mental health lands, 46,000 acres have been sold, 38,000 conveyed to municipalities and 29,000 to the University.

Number 840

John Pugh, Commissioner, Department of Health and Social Services, spoke in support of SCR 36 and of an interim Mental Health Trust Land Commission.

TAPE ONE, SIDE TWO  
Number 030

Pugh identified several steps that need to be taken in the resolution of the mental health lands issue: establishment of a legislative committee, an interim commission to be advisory to the Department of Natural Resources, funding for appraisals, participation by advocacy groups, and a needs assessment of mental health in Alaska. He noted that an assessment should be available by July 1.

Number 388

Jim Gottstein, attorney for the Alaska Mental Health Association, spoke in support of SCR 36 and stressed the need for legislative involvement in the mental health lands issue. The trust, he said, should be managed to produce revenue.

Number 655

John Sandor expressed his support for SCR 36, stressing the need for public membership on the committee. He also expressed support for a needs-assessment of mental health in Alaska and additional funding for mental health programs.

TAPE TWO, SIDE ONE  
Number 025

Sharron Lobaugh, President, Alaska Alliance for the Mentally Ill, spoke in support of SCR 36 and of a fair needs-assessment. She stated that the Alliance prefers legislation over continued litigation and supports a strong management commission. She also urged additional funding for the chronically mentally ill and for consensus building among the plaintiffs.

Number 128

The goals of a management commission should be to maximize revenue and ensure that the trust stays whole, Lobaugh said.

Number 353

Senators Fahrenkamp and Josephson suggested deleting the language on page 2, lines 5 and 6 of SCR 36 which would place commissioners as members of the commission.

Number 370

Senator Fahrenkamp suggested increasing the number of legislators on the committee to three from each House.

Number 495

Senator Josephson moved and asked unanimous consent to adopt a committee substitute with the amendments discussed. There were no objections.

Senator Fahrenkamp adjourned the meeting at 3:35 p.m.

Original sponsor: Health, Education and  
Social Services Committee

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 472 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the interim management of the  
7 mental health trust; and providing for an effective  
8 date."

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

10 \* Section 1. The legislature finds that

11 (1) the Congress granted 1,000,000 acres of land to the Terri-  
12 tory of Alaska to be administered as a public trust for the necessary  
13 expenses of the support of mental health in the territory;

14 (2) the land authorized to be granted to the Territory of Alaska  
15 has been selected by the territory and since statehood by the state and  
16 most of the 1,000,000 acres has been conveyed to the state;

17 (3) the Alaska Supreme Court ruled in State v. Weiss, 706 P.2d  
18 681 (Alaska 1985) that the legislation redesignating mental health trust  
19 land as general grant land had actually breached the trust established by  
20 Congress and the court ordered the trust reconstituted;

21 (4) there is presently no statutory authority providing for the  
22 management of the mental health trust land as trust land;

23 (5) the Alaska Mental Health Association as the original sponsor  
24 of the litigation regarding the management of the mental health trust land,  
25 more recently participating as intervenor in the litigation, and the plain-  
26 tiffs have performed and continue to perform an important public function  
27 in their efforts to reconstitute the mental health trust land and to pro-  
28 vide for the proper management of the trust land; and

29 (6) there is a need for the interim management of the trust land

1 as a public trust.

2 \* Sec. 2. INTERIM MENTAL HEALTH TRUST COMMISSION ESTABLISHED. (a) The  
3 interim mental health trust commission is established in the Department of  
4 Natural Resources.

5 (b) The commission established under (a) of this section consists of  
6 five members, including the commissioner of natural resources and the  
7 commissioner of health and social services, or their designees, and three  
8 members appointed by the governor as follows:

9 (1) a member representing the plaintiffs, appointed by the  
10 governor from a list of three names submitted to the governor by the plain-  
11 tiffs in State v. Weiss, 706 P.2d 681 (Alaska 1985);

12 (2) a member representing the intervenors, appointed by the  
13 governor from a list of three names submitted to the governor by the inter-  
14 venors in State v. Weiss, 706 P.2d 681 (Alaska 1985); and

15 (3) a member representing the Governor's Mental Health Advisory  
16 Council, appointed by the governor from a list of three names submitted to  
17 the governor by the Governor's Mental Health Advisory Council.

18 (c) The members of the commission shall elect a presiding officer. A  
19 majority of the commission constitutes a quorum. The affirmative vote of  
20 three members is required to take official action. A vacancy does not  
21 impair the power of the remaining members to exercise the powers of the  
22 commission.

23 (d) Members of the commission serve without compensation but are  
24 entitled to per diem and travel expenses authorized by law for other boards  
25 under AS 39.20.180.

26 (e) The commission shall meet at least quarterly and may meet more  
27 frequently, either in person or by teleconference.

28 (f) The commission may employ an executive director and staff to  
29 assist it in fulfilling its responsibilities under this Act. The employees

1 shall be in the exempt service.

2 (g) The commission may contract with parties or individuals for the  
3 performance of functions assigned to it.

4 \* Sec. 3. RESPONSIBILITIES OF THE COMMISSIONER OF NATURAL RESOURCES AND  
5 THE COMMISSION. (a) The commissioner of natural resources shall inventory  
6 and catalog the mental health trust land of the state, shall audit and  
7 appraise each land transaction involving land that has been part of the  
8 mental health trust land of the state, and determine the status of mental  
9 health trust land on the effective date of this Act under procedures and  
10 guidelines established by the commissioner of natural resources with the  
11 approval of the commission. In the exercise of the commission's respon-  
12 sibilities under this section, the commission may review the records of the  
13 Department of Natural Resources.

14 (b) The commissioner of natural resources shall, with the approval of  
15 the commission, retain an appraiser or appraisers to appraise all or a  
16 portion of land that, at any time, was part of the mental health trust land  
17 of the state. The commissioner shall provide an appraiser conducting an  
18 appraisal with written procedures and instructions that have been approved  
19 by the commission.

20 (c) The commissioner of natural resources is responsible for the  
21 management of the mental health land of the state as a public trust under  
22 P.L. 84-830, 70 Stat. 709. <sup>NATIVE ALLOTMENTS</sup> Except for a transfer authorized under AS 38.-  
23 05.035(b)(9), the commissioner of natural resources may not sell, lease, or  
24 exchange mental health trust land of the state or an interest in the mental  
25 health trust land of the state without the prior approval of the commis-  
26 sion. In reviewing a proposal for the sale, lease, or exchange of mental  
27 health trust land from the commissioner of natural resources, the commis-  
28 sion may approve the proposal of the commissioner on its determination that  
29 the proposal is consistent with the terms of the trust established by the

1 Alaska Mental Health Enabling Act.

2 (d) The proceeds from the management of the mental health trust land  
3 of the state shall be deposited in a special trust account in the general  
4 fund of the state and are subject to appropriation by the legislature.

5 \* Sec. 4. RESPONSIBILITIES OF THE COMMISSIONER OF HEALTH AND SOCIAL  
6 SERVICES AND THE COMMISSION. (a) The commissioner of health and social  
7 services, with the approval of the commission, shall

8 (1) select an independent auditor to audit the state's mental  
9 health program;

10 (2) establish the procedures and guidelines to guide the auditor  
11 selected under this subsection;

12 (3) propose the guidelines and procedures to be used in de-  
13 termining a range of expenditures for mental health programs necessary to  
14 comply with the state's comprehensive mental health plan.

15 (b) The commission may review the records of the Department of Health  
16 and Social Services that involve mental health expenditures under the  
17 state's comprehensive mental health plan.

18 \* Sec. 5. ADDITIONAL RESPONSIBILITIES OF THE COMMISSION. The commis-  
19 sion shall submit a report to the legislature by the 10th day of the first  
20 session of the fifteenth state legislature on matters of concern to the  
21 commission. The report shall include its recommendations for amendment of  
22 the laws relating to the management of the mental health trust, the mental  
23 health trust land, and the mental health program of the state.

24 \* Sec. 6. DEFINITION. In this Act "commission" means the interim  
25 mental health trust commission established in sec. 2 of this Act.

26 \* Sec. 7. This Act is repealed July 1, 1987.

27 \* Sec. 8. This Act takes effect immediately in accordance with AS 01.-  
28 10.070(c).



# RECORDS CERTIFICATION

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

James O. Smith  
Signature of Camera Operator

11/24/89  
Date

S B

4 7 5

SENATE AMENDMENT #1 u.c.

By Senator Zharoff

To: \_\_\_\_\_ SENATE BILL No. SB 475

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

PAGE: 1      LINE: 6

Amend title; after the word "mammoth" insert: (Mammuthus primigenius)Fahrenkampus)

Page: 1      Line: 9

After the word "mammoth" insert: (Mammuthus primigenius)Fahrenkampus)

Page: 1      Line: 14

After the word "mammoth" insert: (Mammuthus primigenius)Fahrenkampus)

Introduced: 4/10/86  
Referred: Resources

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2

SENATE BILL NO. 475

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act designating the woolly mammoth as the state fossil."

7

8

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

9

\* Section 1. LEGISLATIVE INTENT. By designating the woolly mammoth as the state fossil, the legislature intends to give recognition to this animal that was the largest and one of the most prevalent animals in the state but whose remains are now found only as fossils.

13

\* Sec. 2. AS 44.09 is amended by adding a new section to read:

14

Sec. 44.09.120. STATE FOSSIL. The woolly mammoth is the offi-

15

cial

state

fossil.

*In the committee we considered a number of possible <sup>state</sup> fossils, ~~but~~ since the woolly mammoth skeleton at the UAF museum is 15,090 ± 170 years we unanimously supported the woolly mammoth*

4-23-86

ARLISS:

ED McLAUGHLIN of Fairbanks will be on wire drop this afternoon to testify for SB 475, the woolly mammoth bill. He will be the only witness today.

# Alaska State Legislature

ARLISS STURGULEWSKI, Chairman  
BETTYE FAHRENKAMP, Vice Chairman  
JACK COGHILL  
DICK ELIASON  
VIC FISCHER  
RICK HALFORD  
FRED ZHAROFF



P. O. BOX V  
JUNEAU, ALASKA 99811  
(907) 485-4907

## Senate Committee on Resources

M E M O R A N D U M

April 23, 1986

TO: All Members  
Senate Resources Committee

FROM: Staff *H* Senate Resources Committee

RE: SB 475 "An Act designating the woolly mammoth  
as the state fossil"

SB 475 would designate the woolly mammoth as the state fossil.

The fiscal note is zero.

Enclosures:  
Zero fiscal note  
Backup material

# STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

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

**REQUEST**

Bill/Resolution No. : SB 475  
 Title : "An Act designating the  
 woolly mammoth as the state  
 fossil"  
 Sponsor : Senate Resources Committee  
 Requestor : \_\_\_\_\_  
 Date of Request : \_\_\_\_\_

**FISCAL DETAIL**

Agency Affected : \_\_\_\_\_  
 BRU : \_\_\_\_\_  
 \_\_\_\_\_  
 Components : \_\_\_\_\_  
 \_\_\_\_\_

**EXPENDITURES/REVENUES : (Thousands of Dollars)**

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -

<b>CAPITAL</b>	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
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<b>REVENUE</b>	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
----------------	-------	-------	-------	-------	-------	-------

**FUNDING : (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

**POSITIONS :**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS :** Attach a separate page if necessary

Prepared by : Senate Resources Committee Phone : \_\_\_\_\_

Division : \_\_\_\_\_ Date : \_\_\_\_\_

Approved by Chairman *Arthur Stenmark* Date : \_\_\_\_\_  
 Agency : \_\_\_\_\_

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

February 22, 1986

Dear Betty,

Hope this will give you enough information for you to work with. I will very much appreciate whatever you can do to make the Woolly Mammoth the official state fossil.

Sincerely,

*Ed McLaughlin*

Ed McLaughlin  
P.O. Box 19  
Fairbanks, Alaska 99707

THE NEW MAMMOTH SKELETON AT  
THE UNIVERSITY OF ALASKA MUSEUM

An unusual mammoth skeleton has been brought to the University of Alaska Museum in Fairbanks. This specimen comes from western Alaska and has been radiometrically dated at  $15,090 \pm 170$  years old. The skull, which contains both tusks in their original positions, was put into a protective plaster cast in the field in the fall of 1982 and flown to Fairbanks the following year. Additional bones were excavated from the site in the summer of 1983. For several months the cast has been left undisturbed while it has adjusted to local temperature and humidity conditions. It is now ready for the Museum to prepare the skull for exhibit.

Preparation work will be done in the lobby of the Museum through September and mid November (1983). It will involve step by step removal of the cast, cleaning, and strengthening of the cranium, tusks, and mandible (lower jaw). This work will be under the direction of Dr. R. Dale Guthrie, Professor of Zoology and Museum Affiliate in Vertebrate Paleontology. Dr. Guthrie will work closely with Gary M. Selinger, Museum Technician and specialist in Alaskan Pleistocene vertebrate fossils.

The new mammoth is of special interest because it was preserved at the site where it died. In addition to the skull and other skeletal parts, mammoth hair and fragments of flesh, fossil wood, seeds, pollen, other plant remains, bones of large and small mammals, beetles, bird feathers, and volcanic ash have all been found at the mammoth site. Future research on these various materials should yield a very good picture of the vegetation and animals that existed in this part of Alaska during the late Pleistocene.

For more information, call Terry Dickey at 474-7505.

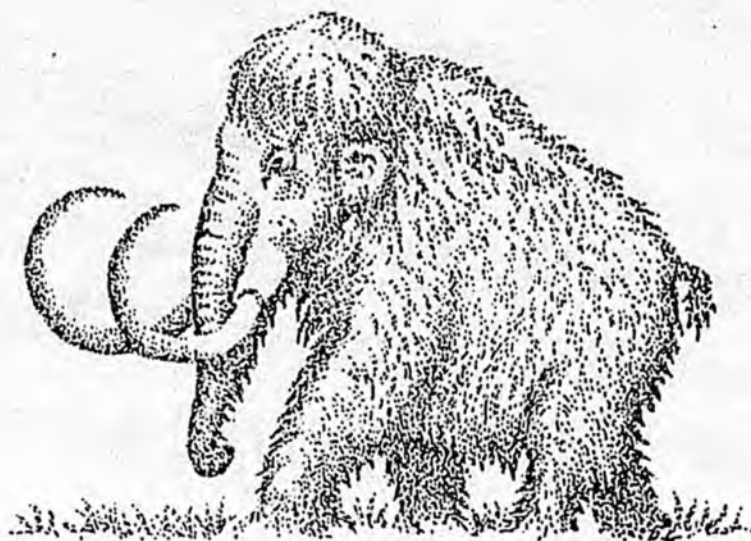
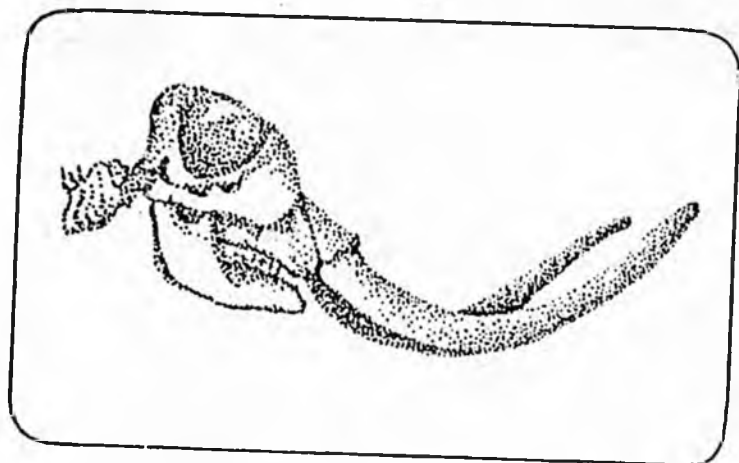
09/08/83

The woolly Mammoth was the largest and one of the most prevalent animals living in Alaska during prehistoric times. Its remains have been found all over the state and especially in the gold mining areas where the dredges operated. Three years ago a skull with the tusks attached was unearthed at a gold camp north of Fairbanks. The UAF Museum preserved and mounted this beautiful specimen and it is now on public display. The Woolly Mammoth was a magnificent animal standing over fourteen feet high at the shoulder with reddish brown Musk Ox type guard hairs over soft underlying hair that kept it warm during the long harsh Alaskan winters. Because the animal was important to the earliest inhabitants of our state and is now extinct, I recommend that the woolly Mammoth be named the Alaska State Fossil.

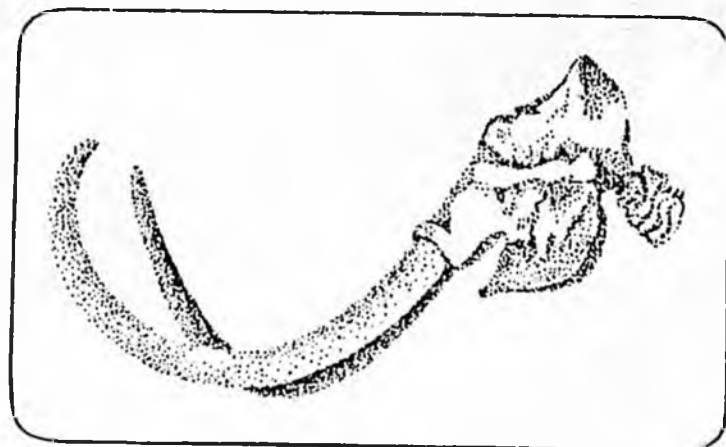
Comparison of mastodon and mammoth



Mastodon and skull



Woolly mammoth and skull



# Alaska State Legislature

Advisory Council Members  
Senator Bennett, Chairman  
Senator Abood  
Senator Kertula  
Senator Sackett



PO. Box V  
State Capitol  
Juneau, Alaska 99811  
Phone: (907) 465-3114

## Senate Advisory Council

### MEMORANDUM

TO: Senator Fahrenkamp  
Alaska State Senate

FROM: Carol R. Perryhill *CRB*  
Senate Advisory Council

DATE: March 11, 1986

RE: Research Request

As requested, following are states that currently have a state fossil:

California: Saber-Toothed Cat  
Nebraska: Mammoth  
Nevada: Ichthyosaur

Attached is an excerpt from The Book of the States - 1984-1985 which gives a brief statement about the state bird, flower, gem, etc., for each state.

If we may be of further assistance, please contact us.

CRB;crb  
Attachment:

# Alabama

Nickname ..... The Heart of Dixie  
 Motto ..... *We Dare Defend Our Rights*  
 Flower ..... Camellia  
 Bird ..... Yellowhammer  
 Tree ..... Southern (Longleaf) Pine  
 Song ..... *Alabama*  
 Stone ..... Marble  
 Mineral ..... Hematite  
 Fish ..... Tarpon  
 Entered the Union ..... December 14, 1819  
 Capital ..... Montgomery

## SELECTED OFFICIALS

Governor ..... George C. Wallace  
 Lieutenant Governor ..... Bill Baxley  
 Secretary of State ..... Don Siegelman  
 Attorney General ..... Charlie Graddick  
 Treasurer ..... Annie Laurie Gunter  
 Auditor ..... Jan Cook  
 Commr. of Agri. & Ind. .... Albert McDonald

## SUPREME COURT

C. C. Torbert Jr., Chief Justice  
 Oscar W. Adams  
 Reneau P. Almon  
 Samuel A. Beatty  
 T. Eric Embry  
 James H. Faulkner  
 Richard L. Jones  
 Alva Hugh Maddox  
 Janie L. Shores

## LEGISLATURE

President of the Senate ..... Bill Baxley  
 President Pro Tem of the Senate  
 ..... John A. Teague  
 Secretary of the Senate ..... McDowell Lee  
 Speaker of the House ..... Tom Drake  
 Speaker Pro Tem of the House ..... Roy Johnson  
 Clerk of the House ..... John W. Pemberton

## STATISTICS

Land Area (square miles) ..... 50,767  
 Rank in Nation ..... 28th  
 Population ..... 3,893,888  
 Rank in Nation ..... 22nd  
 Density per square mile ..... 76.7  
 Number of Representatives in Congress ..... 7  
 Capital City ..... Montgomery  
 Population ..... 177,857  
 Rank in State ..... 3rd  
 Largest City ..... Birmingham  
 Population ..... 284,413  
 Number of Places over 10,000 Population ..... 40

# Alaska

Motto ..... *North to the Future*  
 Flower ..... Forget-me-not  
 Bird ..... Willow Ptarmigan  
 Tree ..... Sitka Spruce  
 Song ..... *Alaska's Flag*  
 Gem ..... Jade  
 Fish ..... King Salmon  
 Purchased from Russia by the  
 United States ..... March 30, 1867  
 Entered the Union ..... January 3, 1959  
 Capital ..... Juneau

## SELECTED OFFICIALS

Governor ..... Bill Sheffield  
 Lieutenant Governor ..... Stephen McAlpine  
 Attorney General ..... Norman C. Gorsuch

## SUPREME COURT

Edmond W. Burke, Chief Justice  
 Allen Compton  
 Warren Matthews  
 Daniel Moore  
 Jay A. Rabinowitz

## LEGISLATURE

President of the Senate ..... Jalmar M. Kerttula  
 Majority Leader ..... Bill Ray  
 Secretary of the Senate ..... Peggy Mulligan  
 Speaker of the House ..... Joe L. Hayes  
 Majority Leader ..... Ramona L. Barnes  
 Chief Clerk of the House ..... Irene Cashen

## STATISTICS

Land Area (square miles) ..... 570,833  
 Rank in Nation ..... 1st  
 Population ..... 401,851  
 Rank in Nation ..... 50th  
 Density per square mile ..... 0.7  
 Number of Representatives in Congress ..... 1  
 Capital City ..... Juneau  
 Population ..... 19,528  
 Rank in State ..... 3rd  
 Largest City ..... Anchorage  
 Population ..... 174,431  
 Number of Places over 10,000 Population ..... 3

# California

Nickname ..... The Golden State  
 Motto ..... *Eureka (I Have Found It)*  
 Flower ..... Golden Poppy  
 Bird ..... California Valley Quail  
 Tree ..... California Redwood  
 Reptile ..... California Desert Tortoise  
 Song ..... *I Love You, California*  
 Stone ..... Serpentine  
 Mineral ..... Native Gold  
 Animal ..... California Grizzly Bear  
 Fish ..... California Golden Trout  
 Insect ..... California Dog-Face Butterfly  
 Marine Mammal ..... California Gray Whale  
 Fossil ..... Saber-Toothed Cat  
 Entered the Union ..... September 9, 1850  
 Capital ..... Sacramento

## SELECTED OFFICIALS

Governor ..... George Deukmejian  
 Lieutenant Governor ..... Leo McCarthy  
 Secretary of State ..... March Fong Eu  
 Attorney General ..... John Van de Kamp  
 Treasurer ..... Jesse M. Unruh  
 Controller ..... Kenneth Cory  
 Supt. of Public Instruction ..... Louis Honig

## SUPREME COURT

Rose Elizabeth Bird, Chief Justice  
 Allen E. Broussard  
 Otto M. Kaus  
 Anthony Kline  
 Stanley Mosk  
 Cruz Reynoso  
 (Vacancy)

## LEGISLATURE

President of the Senate ..... Leo T. McCarthy  
 President Pro Tem of the Senate .. David A. Roberts  
 Secretary of the Senate ..... Darryl R. White  
 Speaker of the Assembly ..... Willie L. Brown Jr.  
 Speaker Pro Tem of the Assembly ... Frank Vicencia  
 Chief Clerk of the Assembly ..... James D. Driscoll

## STATISTICS

Land Area (square miles) ..... 156,299  
 Rank in Nation ..... 3rd  
 Population ..... 23,667,902  
 Rank in Nation ..... 1st  
 Density per square mile ..... 151.4  
 Number of Representatives in Congress ..... 45  
 Capital City ..... Sacramento  
 Population ..... 275,741  
 Rank in State ..... 7th  
 Largest City ..... Los Angeles  
 Population ..... 2,966,850  
 Number of Places over 10,000 Population ..... 256

# Colorado

Nickname ..... The Centennial State  
 Motto ..... *Ni Sine Numine*  
 (Nothing Without Providence)  
 Flower ..... Rocky Mountain Columbine  
 Bird ..... Lark Bunting  
 Tree ..... Colorado Blue Spruce  
 Song ..... *Where the Columbines Grow*  
 Stone ..... Aquamarine  
 Animal ..... Rocky Mountain Bighorn Sheep  
 Entered the Union ..... August 1, 1876  
 Capital ..... Denver

## SELECTED OFFICIALS

Governor ..... Richard D. Lamm  
 Lieutenant Governor ..... Nancy Dick  
 Secretary of State ..... Natalie Meyer  
 Attorney General ..... Duane Woodard  
 Treasurer ..... Roy R. Romer

## SUPREME COURT

William H. Erickson, Chief Justice  
 Jean Dubofsky  
 Howard M. Kirshbaum  
 George E. Lohr  
 William D. Neighbors  
 Joseph R. Quinn  
 Luis D. Rovira

## GENERAL ASSEMBLY

President of the Senate ..... Ted L. Strickland  
 President Pro Tem of the Senate  
 ..... Robert J. Allshouse  
 Secretary of the Senate ..... Marjorie L. Nielson  
 Speaker of the House ..... Carl "Bev" Bledsoe  
 Chief Clerk of the House ..... Lorraine F. Lombardi

## STATISTICS

Land Area (square miles) ..... 103,595  
 Rank in Nation ..... 8th  
 Population ..... 2,889,964  
 Rank in Nation ..... 28th  
 Density per square mile ..... 27.9  
 Number of Representatives in Congress ..... 6  
 Capital City ..... Denver  
 Population ..... 492,365  
 Rank in State ..... 1st  
 Largest City ..... Denver  
 Number of Places over 10,000 Population ..... 25

# Nebraska

Nickname ..... The Cornhusker State  
 Motto ..... *Equality Before the Law*  
 Flower ..... Goldenrod  
 Bird ..... Western Meadowlark  
 Tree ..... Western Cottonwood  
 Song ..... *Beautiful Nebraska*  
 Gemstone ..... Blue Agate  
 Fossil ..... Mammoth  
 Grass ..... Little Blue Stem  
 Insect ..... Honeybee  
 Rock ..... Prairie Agate  
 Entered the Union ..... March 1, 1867  
 Capital ..... Lincoln

## SELECTED OFFICIALS

Governor ..... Robert Kerrey  
 Lieutenant Governor ..... Donald McGinley  
 Secretary of State ..... Allen J. Beermann  
 Attorney General ..... Paul L. Douglas  
 Treasurer ..... Kay Orr  
 Auditor of Public Accounts ..... Ray A.C. Johnson

## SUPREME COURT

Norman M. Krivosha, Chief Justice  
 Leslie Boslaugh  
 D. Nick Caporale  
 William C. Hastings  
 Hale McCown  
 Thomas M. Shanahan  
 C. Thomas White

## LEGISLATURE

President of the Legislature ..... Donald McGinley  
 Speaker of the Legislature ..... William E. Nichol  
 Chairman of Executive Board,  
 Legislative Council ..... Vard Johnson  
 Vice Chairman of Executive Board,  
 Legislative Council ..... Shirley Marsh  
 Clerk of the Legislature ..... Patrick J. O'Donnell

## STATISTICS

Land Area (square miles) ..... 76,644  
 Rank in Nation ..... 15th  
 Population ..... 1,569,825  
 Rank in Nation ..... 35th  
 Density per square mile ..... 20.5  
 Number of Representatives in Congress ..... 3  
 Capital City ..... Lincoln  
 Population ..... 171,932  
 Rank in State ..... 2nd  
 Largest City ..... Omaha  
 Population ..... 314,255  
 Number of Places over 10,000 Population ..... 12

# Nevada

Nickname ..... The Silver State  
 Motto ..... *All for Our Country*  
 Flower ..... Sagebrush  
 Bird ..... Mountain Bluebird  
 Tree ..... Single-leaf Pinon  
 Song ..... *Home Means Nevada*  
 Animal ..... Desert Bighorn Sheep  
 Metal ..... Silver  
 Grass ..... Indian Rice Grass  
 Fossil ..... Ichthyosaur  
 Entered the Union ..... October 31, 1864  
 Capital ..... Carson City

## SELECTED OFFICIALS

Governor ..... Richard Bryan  
 Lieutenant Governor ..... Robert A. Cashell  
 Secretary of State ..... William D. Swackhamer  
 Attorney General ..... Brian McKay  
 Treasurer ..... Patricia Cafferata  
 Controller ..... Darrel R. Daines

## SUPREME COURT

Noel E. Manoukian, Chief Justice  
 E.M. Gunderson  
 John C. Mowbray  
 Charles E. Springer  
 Thomas L. Steffen

## LEGISLATURE

President of the Senate ..... Robert A. Cashell  
 President Pro Tem of the Senate  
 ..... Keith Ashworth  
 Secretary of the Senate ..... Janice L. Thomas  
 Speaker of the Assembly ..... John M. Vergiels  
 Speaker Pro Tem of the Assembly  
 ..... James W. Schofield  
 Chief Clerk of the Assembly ..... Mouryne B. Landing

## STATISTICS

Land Area (square miles) ..... 109,894  
 Rank in Nation ..... 7th  
 Population ..... 800,493  
 Rank in Nation ..... 43rd  
 Density per square mile ..... 7.3  
 Number of Representatives in Congress ..... 2  
 Capital City ..... Carson City  
 Population ..... 32,022  
 Rank in State ..... 5th  
 Largest City ..... Las Vegas  
 Population ..... 164,674  
 Number of Places over 10,000 Population ..... 6



# RECORDS CERTIFICATION

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

James O. Smith  
Signature of Camera Operator

11/24/89  
Date

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# Alaska State Legislature

ARLISS STURGULEWSKI, Chairman  
BETTYE FAHRENKAMP, Vice Chairman  
JACK COGHILL  
DICK ELIASON  
VIC FISCHER  
RICK HALFORD  
FRED ZHAROFF

P. O. BOX V  
JUNEAU, ALASKA 99811  
(907) 485-4907



## Senate Committee on Resources

MEMORANDUM

May 2, 1986

TO: All Members  
Senate Resources Committee

FROM: Staff, Senate Resources Committee

RE: SB 485/SJR 49 Relating to the Alaska Research  
Development Endowment

Since the last meeting, staff has worked with Representative Steve Frank, his staff, and Tom Miklautsch, and have agreed on the language in the two committee substitutes attached. The intention was to try to have the House and Senate language as close to each other as possible. At this time the House Finance CS and the Senate Resources CS are identical.

The significant features of CSSJR 49 (Res) are:

1. Reduce gas royalties from one-third to one-fifth
2. Limit endowment to \$1,000,000,000
3. Change North Slope gas to any gas developed north of the Alaska Range

The significant features of CSSB 485 (Res) are:

- 1-3 same as above
4. Located in Department of Revenue
5. Establishes independent nominating committee
6. Governor may select from nominating committee list
7. Terms of board to be six years
8. Governor may remove board members
9. Board and employees subject to conflict of interest statute
10. Corporation subject to Executive Budget Act
11. Department of Revenue to invest endowment funds

STATE OF ALASKA 1986 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: 5/2/86

REQUEST

Bill/Resolution No: SB 485/SJR 49  
Title: Proposing amendments to the Constitution of the State of Alaska creating the Alaska Research Development  
Sponsor: Senate HESS  
Requestor: Senate Resources  
Date of Request: April 29, 1986

FISCAL DETAIL

Agency Affected: Alaska Research Development Endowment  
BRU: \_\_\_\_\_  
Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE		(480.0)	(480.0)	(480.0)	(480.0)	(480.0)

FUNDING: (Thousands of Dollars)

GENERAL FUND	(480.0)	(480.0)	(480.0)	(480.0)	(480.0)
FEDERAL FUNDS	-	-	-	-	-
OTHER	-	-	-	-	-
TOTAL	(480.0)	(480.0)	(480.0)	(480.0)	(480.0)

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

This bill dedicates 20% of all state royalties and royalty sale proceeds from North Slope natural gas to the Alaska Research Development Endowment. Currently, approximately \$2.4 million is received by the state from those sources. Consequently, \$480.0 would be dedicated. (2.4 million divided by 2 equals \$480.0)

Prepared By: Charles Loosdon  
Division: Research/Commissioner's Office

Phone: 465-3706  
Date: May 2 1986

Approved by Commissioner: [Signature]  
Agency: Department of Revenue

Date: May 2, 1986

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Fiscal Note Analysis  
SB 485 and SJR 49

Average expected and risk adjusted contribution to the Alaska  
Research Development Endowment as Proposed BY SJR 49 and SB 485 based on  
Department of Revenue March 1986 petroleum revenue forecast.  
(millions \$)

<u>Fiscal Year</u>	<u>Average Expected North Slope Gas Royalties</u>	<u>30% Case North Slope Gas Royalties</u>	<u>Average Expected Contribution to ARDE</u>	<u>30% Case Contribution to ARDE</u>
1987	2.72	2.72	.544	.544
1988	2.84	2.82	.568	.564
1989	2.74	2.70	.548	.540
1990	2.47	1.31	.494	.262
1991	2.54	1.64	.508	.328
1992	2.64	1.13	.528	.226
1993	3.83	0	.766	0
1994	4.73	0	.946	0
1995	29.95	0	5.99	0
1996	31.45	0	6.29	0
1997	53.14	5.98	10.62	1.19
1998	56.25	6.16	11.25	1.23
1999	59.72	6.46	11.94	1.29
2000	95.79	6.46	19.15	1.29

James ✓  
5/2/86

Original sponsor: Health, Education and  
Social Services Committee

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE JOINT RESOLUTION NO. 49 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 Proposing amendments to the Constitution  
6 of the State of Alaska creating the  
7 Alaska research development endowment.

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

9 \* Section 1. Article IX, sec. 7, Constitution of the State of Alaska,  
10 is amended to read:

11 SECTION 7. DEDICATED FUNDS. The proceeds of any state tax or  
12 license shall not be dedicated to any special purpose, except as  
13 provided in Section 15 and Section 17 of this article or when required  
14 by the federal government for state participation in federal programs.  
15 This provision shall not prohibit the continuance of any dedication  
16 for special purposes existing upon the date of ratification of this  
17 section by the people of Alaska.

18 \* Sec. 2. Article IX, Constitution of the State of Alaska, is amended  
19 by adding a new section to read:

20 SECTION 17. ALASKA RESEARCH DEVELOPMENT ENDOWMENT. At least 20  
21 percent of all royalties and royalty sale proceeds received by the  
22 state from natural gas from the area north of the Alaska Range shall  
23 be deposited in the Alaska research development endowment; however,  
24 the total deposits from royalties and royalty sale proceeds may not  
25 exceed \$1,000,000,000. These deposits shall be considered fund  
26 principal and shall be invested as provided by law. Income from  
27 investment of the endowment shall be available for appropriation as  
28 provided by law. Appropriations may not be made from the Alaska  
29 research development endowment except for research grants and the

1 costs of administration as provided by law.

2 \* Sec. 3. The amendments proposed by this resolution shall be placed  
3 before the voters of the state at the next general election in conformity  
4 with art. XIII, sec. 1, Constitution of the State of Alaska, and the elec-  
5 tion laws of the state.

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James  
5/2/86

Original sponsor: Health, Education and  
Social Services Committee

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 485 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

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

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

9 \* Section 1. LEGISLATIVE FINDINGS. (a) The legislature finds that it  
10 is necessary to obtain the research information that will be needed to give  
11 the state the best attainable future over the next 50 to 100 years or more.

12 (b) The legislature further finds that research is needed for the  
13 wise development and use of the state's natural resources. These research  
14 areas include energy, mineral resources, fisheries, forestry, and food and  
15 agriculture; and also the collection, storage, and dissemination of in-  
16 formation; the state's transportation systems; and materials research and  
17 engineering.

18 (c) Research is also needed to provide for the care and preservation  
19 of the state's natural resources and the culture and heritage of its di-  
20 verse peoples. These research areas include man-made changes in weather  
21 and climate, including the possibility of a warming trend of the whole  
22 earth; environmental protection; and archaeological, anthropological, and  
23 linguistic studies of the Native populations.

24 (d) The legislature further finds that research is needed to protect  
25 the health and well-being of Alaskans. Three topics are considered: health  
26 and disease; social pathology; and building construction and maintenance.

27 (e) Research is also needed on topics for which Alaska is a "natural  
28 laboratory" compared with other parts of the nation, and research on topics  
29 that support and contribute to improvements in many of the topics listed

1 above. These research areas are: the upper atmosphere; weather and cli-  
2 mate; geology; natural hazards; snow, ice, and permafrost; northern oceans;  
3 and human resources.

4 (f) The legislature finds that the principle of a partnership of  
5 interest among government, academia, business, industry, and residents of  
6 Alaska is essential in accomplishing the intent and purposes of this Act.

7 \* Sec. 2. AS 14 is amended by adding a new chapter to read:

8 CHAPTER 55. ALASKA RESEARCH DEVELOPMENT ENDOWMENT.

9 Sec. 14.55.010. ALASKA RESEARCH DEVELOPMENT ENDOWMENT. (a)  
10 Under art. IX, sec. 17, Constitution of the State of Alaska, there is  
11 established the Alaska research development endowment. At least 20  
12 percent of all royalties and royalty sale proceeds received by the  
13 state from natural gas from the area north of the Alaska Range shall  
14 be deposited in the Alaska research development endowment; however,  
15 the total deposits from royalties and royalty sale proceeds may not  
16 exceed \$1,000,000,000. These deposits shall be considered fund  
17 principal and shall be invested by the commissioner of revenue in  
18 accordance with AS 37.10.070, except that income from investment of  
19 the endowment may not be held for investment, but shall be used to  
20 provide funds for research grants, and the costs of administration of  
21 the endowment as provided in this chapter.

22 (b) The Alaska research development endowment shall be managed  
23 by the Alaska Research Development Corporation established under this  
24 chapter.

25 Sec. 14.55.020. ALASKA RESEARCH DEVELOPMENT CORPORATION. There  
26 is established the Alaska Research Development Corporation. The  
27 corporation is a public corporation in the Department of Revenue, but  
28 has a legal existence independent of and separate from the state. The  
29 corporation is managed by the board of directors. Exercise by the

1 board of the powers conferred by this chapter is an essential govern-  
2 mental function of the state.

3 Sec. 14.55.030. COMPOSITION AND QUALIFICATIONS OF BOARD OF  
4 DIRECTORS. (a) The board of directors of the corporation consists of  
5 11 members appointed by the governor and two ex officio members.

6 (b) The board shall establish an independent nominating commit-  
7 tee which shall provide to the governor a list of two or more well  
8 qualified candidates for each vacancy. The governor may consider  
9 these candidates before appointing directors.

10 (c) At least eight of the members must be state residents.  
11 Based on experience and achievement in their profession and in soci-  
12 ety, at least four of the members must have professional recognition  
13 in the business community, at least four must have professional recog-  
14 nition in the academic community, and at least three must have profes-  
15 sional recognition in federal, state, or foreign government.

16 (d) The governor and the president of the University of Alaska  
17 are ex officio members of the board.

18 (e) The board shall annually elect a chairman and other neces-  
19 sary officers from among its members.

20 Sec. 14.55.040. TERM OF OFFICE. The members of the board serve  
21 six-year terms and may be reappointed. Terms shall be staggered.

22 Sec. 14.55.050. REMOVAL AND VACANCIES. (a) The governor may  
23 remove a board member from office. A removal by the governor shall be  
24 in writing and state the reason for removal. A board member who is  
25 removed by the governor may not participate in board business and may  
26 not be counted for the purpose of establishing a quorum after the  
27 member receives written notice of removal from the governor.

28 (b) A vacancy on the board shall be promptly filled by appoint-  
29 ment by the governor. The governor may consider names on the list

1 provided by the nominating committee under AS 14.55.030(b). An ap-  
 2 ppointee to fill a vacancy holds office for the balance of the term for  
 3 which the appointee's predecessor on the board was appointed.

4 (c) A vacancy on the board does not impair the authority of a  
 5 quorum of the board to exercise all the powers and perform all the  
 6 duties of the board.

7 Sec. 14.55.060. QUORUM. (a) Seven members of the board consti-  
 8 tute a quorum for the transaction of business and the exercise of the  
 9 powers and duties of the board.

10 (b) Members of the board serve without compensation, but are  
 11 entitled to per diem and travel expenses authorized by law for boards  
 12 under AS 39.20.180.

13 Sec. 14.55.070. CONFLICTS OF INTEREST. The members of the board  
 14 and compensated employees are subject to the provisions of AS 39.50.

15 Sec. 14.55.080. CORPORATION STAFF. The board shall employ and  
 16 determine the salary of an executive director. The executive director  
 17 may, with the approval of the board, select and employ additional  
 18 staff as necessary. The executive director and all employees of the  
 19 corporation are in the exempt service under AS 39.25.

20 Sec. 14.55.090. POWERS. In carrying out the powers of the  
 21 corporation, the board may

- 22 (1) adopt, alter, and use a corporate seal;
- 23 (2) prescribe, adopt, amend, and repeal bylaws;
- 24 (3) sue and be sued in the name of the corporation;
- 25 (4) enter into agreements necessary to the exercise of its  
 26 powers and functions;
- 27 (5) accept grants from and contract with the federal gov-  
 28 ernment and the state or its political subdivisions and to that end  
 29 comply with the provisions of federal, state, or local programs when

1 necessary, except that it may not enter into agreements in which a  
2 permanent state or local government position is financed or partially  
3 financed in connection with a project;

4 (6) accept grants and loans from and contract with sources  
5 other than those in (5) of this section for the purposes of the work  
6 of the corporation;

7 (7) collect, store, and disseminate knowledge of Alaska and  
8 the north;

9 (8) appear on behalf of the corporation before boards,  
10 commissions, departments, or other agencies of municipal, state, or  
11 federal government or international bodies;

12 (9) acquire, hold, use, lease, sell, or otherwise dispose  
13 of property of any kind, real, personal, or mixed, or an interest in  
14 it;

15 (10) hold patents, copyrights, trademarks, royalties or  
16 other evidences of protection or exclusivity issued under the laws of  
17 the United States or any state or nation obtained by persons receiving  
18 assistance from the corporation;

19 (11) adopt regulations governing the exercise of its powers;  
20 and

21 (12) do everything necessary or desirable to carry out the  
22 purposes of the corporation.

23 Sec. 14.55.100. DUTIES. The board may distribute grant funds to  
24 private individuals, companies, schools, universities, governmental  
25 agencies, and research and development entities for the conduct of  
26 research.

27 Sec. 14.55.110. BUDGET AND APPROPRIATIONS. The corporation is  
28 subject to the provisions of the Executive Budget Act (AS 37.07).

29 Sec. 14.55.120. CORPORATION BUDGET. The revenue generated by

1 the corporation's investments must be identified as the source of the  
2 operating budget of the corporation in the state's operating budget  
3 under the Executive Budget Act (AS 37.07). The unexpended and unobli-  
4 gated balance of the corporation's annual operating budget does not  
5 lapse into the general fund at the end of the fiscal year but shall be  
6 treated as income under AS 14.55.010.

7 Sec. 14.55.130. ANNUAL REPORT. The board shall prepare an  
8 annual report of its activities and submit a copy of the report to the  
9 legislature. The annual report shall be transmitted to the legisla-  
10 ture at the beginning of each regular session. The report shall  
11 include a description of the research grants paid by the corporation  
12 and any other information that the board determines should be included  
13 to describe the work of the corporation.

14 Sec. 14.55.200. DEFINITIONS. In this chapter

15 (1) "board" means the board of directors of the Alaska  
16 Research Development Corporation;

17 (2) "corporation" means the Alaska Research Development  
18 Corporation; and

19 (3) "endowment" means the Alaska research development  
20 endowment.

21 \* Sec. 3. AS 39.25.110 is amended by adding a new paragraph to read:

22 (24) employees of the Alaska Research Development Corpo-  
23 ration.

24 \* Sec. 4. AS 39.50.020(a) is amended by adding a new paragraph to read:

25 (48) board of directors and compensated employees of the  
26 Alaska Research Development Corporation (AS 14.55).

27 \* Sec. 5. Notwithstanding AS 14.55.040, added by sec. 2 of this Act,  
28 the initial terms of members of the board of directors of the Alaska Re-  
29 search Development Corporation shall be set under AS 39.05.055(2).

1 \* Sec. 6. Notwithstanding AS 14.55.030(b), added by sec. 2 of this Act,  
2 the initial members of the board of directors of the Alaska Research Devel-  
3 opment Corporation shall be selected and appointed by the governor.

4 \* Sec. 7. This Act takes effect on the effective date of an amendment  
5 to the Constitution of the State of Alaska creating the Alaska research  
6 development endowment.  
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# Alaska State Legislature

STEVE FRANK  
DISTRICT 20A  
Finance Committee

1125 Sunset Drive  
Fairbanks, Alaska 99701  
(907) 452-3421



While in Juneau  
P. O. Box V  
Juneau, Alaska 99811  
(907) 465-3709

## House of Representatives

### MEMORANDUM

TO: House Resource Committee Members  
FROM: Representative Steve Frank  
DATE: April 15, 1986  
RE: Alaska Research Development Endowment  
HCR 71 & HB 705

---

HCR 11, approved by the legislature last year, set the stage for the introduction of HCR 71 and HB 705 creating the Alaska Research Development Endowment (ARDE).

Under HCR71, ARDE is designed to be a vehicle to determine and fund the necessary research to meet the challenge of Alaska's future. The idea is to constitutionally dedicate to research a small percentage of our total resource revenues, specifically our natural gas resources north of the Brooks Range, most of which are not currently being developed.

The Alaska Research Development Corporation, which would be created by the passage of HB705, would identify those projects which could unlock the knowledge necessary for the development of the state's natural resources, preserve the heritage and culture of Alaska's people and conduct research necessary to protect the health and welfare of the people of our state.

The scope of ARDE's efforts would be directed toward the entire state, not just the Arctic region, as the Federal Arctic Science and Policy Act is. ARDE would dovetail the Federal Act as well as compliment research currently being done through the University of Alaska's Organized Research. As envisioned, ARDE could be a significant future funding source for the University's research projects related specifically to Alaska.

The Corporation's Board of Directors would be composed of eleven members, four each from the business community and academic community, and three with professional recognition in government, in addition to the Governor and the president of the University of Alaska as ex officio members. The board would employ a limited staff to aid in grant determination and administration. The Corporation would be subject to the Executive Budget Act providing the Legislature with an annual review, much in the same way we review the budget of the Alaska Permanent Fund Corporation.

# STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

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

**REQUEST**

**FISCAL DETAIL**

Endowment.

Bill/Resolution No. : HJR 71  
 Title : Proposing amendments to the Constitution of the State of Alaska creating the Alaska Research Development Endowment.  
 Sponsor : House Finance  
 Requestor : House Finance  
 Date of Request : 4/9/86

Agency Affected : Alaska Research Development Endowment  
 BRU : \_\_\_\_\_  
 Components : \_\_\_\_\_

**EXPENDITURES/REVENUES : (Thousands of Dollars)**

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>						

CAPITAL						
---------	--	--	--	--	--	--

REVENUE		(800.0)	(800.0)	(800.0)	(800.0)	(800.0)
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**FUNDING : (Thousands of Dollars)**

GENERAL FUND		800.0	800.0	800.0	800.0	800.0
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>		800.0	800.0	800.0	800.0	800.0

**POSITIONS :**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS :** Attach a separate page if necessary. This bill dedicates 1/3 of all state royalties and royalty sale proceeds from North Slope natural gas to the Alaska Research Development Endowment. Currently, approximately \$2.4 million is received by the state from those sources. Consequently, \$800.0 would be dedicated. (2.4 million ÷ 3 = \$800.0)

Prepared by : Representative Steve Frank Phone : 465-3706  
 Division : Resources Committee Chairman Date : 4/9/86

Approved by Commissioner : *Dick Shultz* Date : 4/16/86  
 Agency : \_\_\_\_\_

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

# Alaska State Legislature

ARLISS STURGULEWSKI, Chairman  
BETTYE FAHRENKAMP, Vice Chairman  
JACK COGHILL  
DICK ELIASON  
VIC FISCHER  
RICK HALFORD  
FRED ZHAROFF



P. O. BOX V  
JUNEAU, ALASKA 99811  
(907) 465-4907

## Senate Committee on Resources

M E M O R A N D U M

April 30, 1985

TO: All Members  
Senate Resources Committee

FROM: Staff, Senate Resources Committee

RE: SB 485 Alaska Research Development Endowment

SB 485 would create the Alaska Research Development Corporation to manage the Alaska research development endowment. The endowment would be derived from a one-third portion of all royalties and royalty sales proceeds from North Slope natural gas plus investment income from the fund.

The ARDC would be established in the Department of Education but would have a legal existence independent and separate from the state. The ARDC would be managed by an 11-member board of directors appointed by the governor. The governor and president of the University of Alaska would serve as ex officio members. Board terms would run for five years. The board serves without compensation, but receives travel and per diem.

The ARDC board appoints the executive director and sets the salary. The executive director and all employees are in the exempt service. The ARDC is subject to the provisions of the Executive Budget Act.

The Board may distribute grant funds to private individuals, companies, schools, universities, and governmental agencies for the conduct of research.

2)

The Department of Revenue has estimated that the annual proceeds of a one-third share of North Slope natural gas would be about \$900,000 in FY 87, rising to about \$32 million by the year 2000 if the Trans-Alaska Gas pipeline is built.

There is an \$800,000 fiscal note for FY 87.

Enclosures:

Fiscal note

Memo from Rep. Frank

Letters from Dept. of Revenue with estimates

Letter from Dr. Wood

STATE OF ALASKA 1986 LEGISLATIVE SESSION  
FISCAL NOTE

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

**REQUEST**

Bill/Resolution No: SB 485/SJR 49  
 Title: Proposing amendments to the Constitution of the State of Alaska creating the Alaska Research Development  
 Sponsor: Senate HESS  
 Requestor: Senate Resources  
 Date of Request: April 29, 1986

**FISCAL DETAIL**

Agency Affected: Alaska Research Development Endowment  
 BKU: \_\_\_\_\_  
 Components: \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
<b>OPERATING</b>						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
<b>TOTAL OPERATING</b>	-	-	-	-	-	-
<b>CAPITAL</b>	-	-	-	-	-	-
<b>REVENUE</b>		(800.0)	(800.0)	(800.0)	(800.0)	(800.0)

**FUNDING: (Thousands of Dollars)**

GENERAL FUND		800.0	800.0	800.0	800.0	800.0
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
<b>TOTAL</b>		800.0	800.0	800.0	800.0	800.0

**POSITIONS:**

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

**ANALYSIS:** Attach a separate page if necessary

This bill dedicates 1/3 of all state royalties and royalty sale proceeds from North Slope natural gas to the Alaska Research Development Endowment. Currently, approximately \$2.4 million is received by the state from those sources. Consequently, \$800.0 would be dedicated. (2.4 million divided by 3 equals \$800.0)

Prepared By: Charles Lodsdon *CL*  
 Division: Research/Commissioner's Office

Phone: 465-3706  
 Date: April 29, 1986

Approved by Commissioner: *Walter J. Stankala*  
 Agency: Department of Revenue

Date: April 29, 1986

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

AVERAGE EXPECTED AND RISK ADJUSTED CONTRIBUTION TO THE  
ALASKA RESEARCH DEVELOPMENT ENDOWMENT AS PROPOSED BY SB 485 AND SJR 49  
BASED ON DEPARTMENT OF REVENUE MARCH 1986 PETROLEUM REVENUE FORECAST  
(millions \$)

<u>Fiscal Year</u>	<u>Average Expected North Slope Gas Royalties</u>	<u>30% Case North Slope Gas Royalties</u>	<u>Average Expected Contribution to ARDE</u>	<u>30% Case Contribution to ARDE</u>
1987	2.72	2.72	.907	.907
1988	2.84	2.82	.947	.940
1989	2.74	2.70	.913	.900
1990	2.47	1.31	.823	.437
1991	2.54	1.64	.847	.547
1992	2.64	1.13	.880	.377
1993	3.83	0	1.277	0
1994	4.73	0	1.577	0
1995	29.95	0	9.983	0
1996	31.45	0	10.483	0
1997	53.14	5.98	17.713	1.993
1998	56.25	6.16	18.750	2.053
1999	59.72	6.46	19.907	2.153
2000	95.79	6.46	31.930	2.153

# STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

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

**REQUEST**

Bill/Resolution No. : HJR 71  
 Title : Proposing amendments to the Constitution of the State of Ak. creating the Alaska Research Development Endowment.  
 Sponsor : House Finance  
 Requestor : House Finance  
 Date of Request : 4/9/86

**FISCAL DETAIL**

Agency Affected : Alaska Research Development Endowment  
 BRU : ment Endowment  
 Components : \_\_\_\_\_

**EXPENDITURES/REVENUES : (Thousands of Dollars)**

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>						

CAPITAL						
---------	--	--	--	--	--	--

REVENUE		(800.0)	(800.0)	(800.0)	(800.0)	(800.0)
---------	--	---------	---------	---------	---------	---------

**FUNDING : (Thousands of Dollars)**

GENERAL FUND		800.0	800.0	800.0	800.0	800.0
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>		800.0	800.0	800.0	800.0	800.0

**POSITIONS :**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS :** Attach a separate page if necessary

This bill dedicates 1/3 of all state royalties and royalty sale proceeds from North Slope natural gas to the Alaska Research Development Endowment. Currently, approximately \$2.4 million is received by the state from those sources. Consequently, \$800.0 would be dedicated. (2.4 million ÷ 3 = \$800.0) See Dept. of

Revenue letter dated 4/17/86.

Prepared by : *Alberta Adams* Phone : 3706  
 Division : House Finance Committee Chairman Date : 4/9/86

Approved by Commissioner : \_\_\_\_\_ Date : \_\_\_\_\_  
 Agency : \_\_\_\_\_

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

# Alaska State Legislature

STEVE FRANK  
DISTRICT 20A  
Finance Committee

1125 Sunset Drive  
Fairbanks, Alaska 99701  
(907) 452-3421



While in Juneau  
P. O. Box V  
Juneau, Alaska 99811  
(907) 465-3709

## House of Representatives

### MEMORANDUM

TO: House Judiciary Committee Members  
FROM: Representative Steve Frank  
DATE: April 22, 1986  
RE: Alaska Research Development Endowment  
HCR 71 & HB 705

---

HCR 11, approved by the legislature last year, set the stage for the introduction of HCR 71 and HB 705 creating the Alaska Research Development Endowment (ARDE).

Under HCR71, ARDE is designed to be a vehicle to determine and fund the necessary research to meet the challenge of Alaska's future. The idea is to constitutionally dedicate to research a small percentage of our total resource revenues, specifically our natural gas resources north of the Brooks Range, most of which are not currently being developed.

The Alaska Research Development Corporation, which would be created by the passage of HB705, would identify those projects which could unlock the knowledge necessary for the development of the state's natural resources, preserve the heritage and culture of Alaska's people and fund research necessary to protect the health and welfare of the people of our state. ARDE would merely identify and fund the research projects, not perform the actual research. The research would be conducted by grant recipients including individuals, universities, companies, and governmental agencies.

The scope of ARDE's efforts would be directed toward the entire state, not just the Arctic region, as the Federal Arctic Science and Policy Act is. ARDE would dovetail the Federal Act as well as compliment research currently being done through the University of Alaska's Organized Research. As

envisioned, ARDE could be a significant future funding source for the University's research projects related specifically to Alaska.

The Corporation's Board of Directors would be composed of eleven members, four each from the business community and academic community, and three with professional recognition in government, in addition to the Governor and the president of the University of Alaska as ex officio members. The board would employ a limited staff to aid in grant determination and administration. The Corporation would be subject to the Executive Budget Act providing the Legislature with an annual review, much in the same way we review the budget of the Alaska Permanent Fund Corporation.

BILL SHEFFIELD, GOVERNOR

**DEPARTMENT OF REVENUE**

OFFICE OF THE COMMISSIONER

P.O. BOX 5  
JUNEAU, ALASKA 99811-0400  
PHONE: (907) 465-2300

April 23, 1986

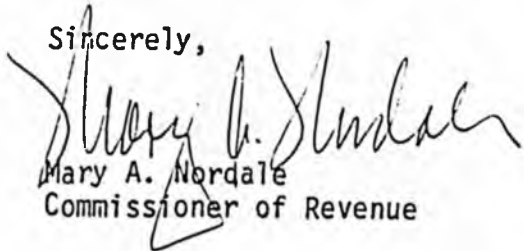
The Honorable Steve Frank  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Re: HCR 71 and HB 705

Dear Representative Frank:

I have reviewed the fiscal notes prepared for both HCR 71 and HB 705 and have found the estimates to be consistent with the North Slope Gas Royalty revenues projected by the Department of Revenue in the March 1986 Revenue Forecast.

Sincerely,

  
Mary A. Nordale  
Commissioner of Revenue

MAN:m11  
86-99

AVERAGE EXPECTED AND RISK ADJUSTED CONTRIBUTION TO THE  
 ALASKA RESEARCH DEVELOPMENT ENDOWMENT AS PROPOSED BY HCR 71 AND HR 705  
 BASED ON DEPARTMENT OF REVENUE MARCH 1986 PETROLEUM REVENUE FORECAST  
 (millions \$)

<u>Fiscal Year</u>	<u>Average Expected North Slope Gas Royalties</u>	<u>30% Case North Slope Gas Royalties</u>	<u>Average Expected Contribution to ARDE</u>	<u>30% Case Contribution to ARDE</u>
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2000	95.79	6.46	31.930	2.153

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

### PETROLEUM RESEARCH DIVISION

BILL SHEFFIELD, GOVERNOR

550 W. 7TH AVENUE, SUITE 550  
ANCHORAGE, ALASKA 99501  
PHONE: (907) 276-5364

April 17, 1986

The Honorable Steve Frank  
Alaska State Legislature  
PO Box V  
Juneau, Alaska 99811

Dear Representative Frank:

Unfortunately many of the cost and pricing issues concerning the Trans Alaska Gas System (TAGS) are not easy to pin down. I have attempted to answer your questions about expected gas royalties using the best data we have available which includes information from the Department of Natural Resources and gas prices used in our petroleum production revenue forecast.

1. Assuming that a TAGS is built how much gas would be transported annually through the line?

We estimate roughly 1.8 bcf/day.

2. How much royalty is currently received by the State from North Slope gas?

We received \$163,350 for January 1986 production.

3. What wellhead values are currently reported for North Slope gas and what values would you expect to be reported if an economically feasible TAGS was built?

The prices vary considerably by producer. No doubt legal action will be undertaken at some time to determine what price is correct. This January at Prudhoe Bay SOHIO reported a price of \$.25/mcf while Exxon reported a price of \$3.37/mcf. The average price reported for royalties was \$.51/mcf. ARCO reported a price of \$1.91/mcf for Kuparuk production.

The wellhead price assuming TAGS in place will depend on the world gas price and the transmission system cost. Given the high cost of the transmission system and the poor outlook for energy prices, the wellhead price may be quite close to zero.

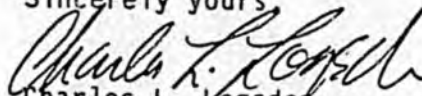
4. How much in royalties would you expect the State to receive annually from North Slope gas if TAGS is built?

For every \$1.00/mcf at the wellhead with an assumed production level of 1.8 bcf/day, the State would receive \$82.125 million in royalties annually.

Rep. Steve Frank  
Page 2  
April 17, 1986

In our March 1986 Forecast we estimated North Slope gas royalties equal to \$212 million in FY 2000 (adjusted for probability of system completion).

Sincerely yours



Charles L. Logsdon  
Petroleum Economist

CLL:ds



# ROTARY INTERNATIONAL

*Service Above Self - He Profits Most Who Serves Best*

665 Tenth Avenue Fairbanks, Alaska 99701  
(907) 452-6248

WILLIAM R. WOOD  
GOVERNOR, DISTRICT 503  
1985-1986

April 7, 1986

To: The House Committee on Health, Education  
and Social Services

The Honorable Max Gruenberg, Co-Chairman  
The Honorable Niilo Koponen, Co-Chairman  
The Honorable Robin L. Taylor, Vice Chairman  
The Honorable Alyce Hanley  
The Honorable Katie Hurley  
The Honorable Fritz Pettyjohn  
The Honorable Dave Thompson

With much regret I find my schedule will keep me from joining you on Wednesday, 9 April 1986, to consider H.B. 705 introduced by the House Committee on Finance.

The proposal before your Committee may well be the single most significant issue to be addressed by the Legislature this session. It is an extraordinary statement of belief in the long-term future of Alaska for Alaskans.

The proposal is an outgrowth of a study conceived by Alaskan residents and entirely financed over a three year period by men and women of Alaska. Neither government nor corporation funds have been involved. The forty-four page study published under the title, "A Challenge to Alaska", was prepared by a distinguished panel of scientists and others who served for nearly two years without compensation.

The panel members represented a consortium of interests: government, business/industry, academia, and Alaska residents. This basic principle of a partnership of interests worked well in developing a remarkable outline of what Alaska needs to know and why. The statement could not have been made by any one of the partners working alone. It has credibility. In formulating it the partnership worked together. No one had power or authority over any other. Responsibility was shared. Out of the give and take of ideas freely exchanged they shaped a strong product for the common good.

It is essential that the same partnership principle prevail in developing the proposed advancement and utilization of knowledge program for the benefit of all Alaska.

Consider that principle closely, for it represents a common-sense approach to dealing with many issues with which free and independent Alaskans must cope as they face the long tomorrow. They must work together for their mutual best interests. They must reason together and mute whatever it is that divides.

The partnership principle at work can unite all Alaska. Let's use that principle to explore our frontiers of knowledge and to use wisely in creative, innovative ways what is discovered. Let us trust one another.

I believe in Alaskans and in their competence to shape a strong, dynamic, and durable Alaska.

H.B. 705 moves us along the way we must go to have, to hold, and to enjoy that long tomorrow - the dream of our fathers and mothers, whatever their roots.

*Wm R. Wood*

William Ransom Wood

Fairbanks, Alaska

7 April 1986

APR 24 1986

f SB 485

1923 Swallow Drive  
Fairbanks, Alaska 99709-8360  
April 21, 1986

Senator Don Bennett  
President  
Alaska State Senate  
Pouch V  
Juneau, Alaska 99811

Re: Alaska Research Policy Act

Dear Don,

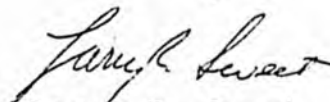
The Alaska Research Policy Act passed the House today 29 to 6.

I believe this policy will help promote science, engineering, and the implementation of new technologies into Alaska and will provide future saving to the citizens of Alas'a.

This act is a companion to the national research policy act signed by President Regan in 1984 and will provide for close coordination of national and state science and engineering. An important part of the Alaska Research Policy Act is that it will provide Alaska a part in directing federal research into areas we feel are important.

Please convey my thoughts to the Senate.

Sincerely,

  
Larry R. Sweet

cc: Senator Bettye Fahrenkamp

PROPOSED AMENDMENTS TO SENATE BILL 485

- ✓ Page 2, line 4 Insert "(f) The Legislature finds that the principle of a partnership of interest among government, academia, business/industry and residents of Alaska is essential in accomplishing the intent and purposes of this Act."
- ✓ Page 2, line 9 Delete "North Slope"
- ✓ Page 2, line 10 Insert after "state" "from the area north of the Alaska Range"

✓ Page 2, line 20 Delete "Education" insert "Commerce" *Revenue*

✓ Page 3, line 3 Delete "local" insert "international"

✓ Page 3, line 7 Insert "(e) Nominations for Directors. The board shall establish an independent nominating committee which shall provide to the Governor a list of two or more well qualified candidates for each vacancy."

✓ Page 3, line 9 Delete "five" insert "six"

✓ Page 3, line 10 Delete "REMOVAL AND"; Delete all of (a) lines 10 through 15

✓ Page 3, line 16 Delete "(b)" insert "(a)"

Page 3, line 17 after "governor" insert "from a list provided by the nominating committee"

Page 3, line 20 Delete "(c)" insert "(b)" *check*

Page 3, line 29 Delete "Members of the board and" *out of APBC*

Page 4, line 1 after "director" insert "and other compensated personnel"

Page 4, line 23 Insert "(7) collect, store and disseminate knowledge of Alaska and the north;"

Page 4, line 23 Delete "(7)" insert "(8)"

Page 4, line 24 after "state," delete "or"

Page 4, line 25 after "government" insert "or international bodies"

Page 4, line 26 Delete "(8)" insert "(9)"

Page 4, line 29 Delete "(9)" insert "(10)"

Page 5, line 4 Delete "(10)" insert "(11)"

Page 5, line 6 Delete "(11)" insert "(12)"

Page 5, line 9 Delete "and" insert ","

Page 5, line 10 after "agencies" insert "and research and development entities"

Page 6, line 9 Delete "Board of Directors and"; after "director" insert "and other compensated personnel"

Chapter 8

Offered: 3/13/85  
Referred: Rules

Original sponsors: Boucher, Ringstad,  
Gruenberg, et al

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

1 IN THE HOUSE

2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 11 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 Relating to the University of Alaska  
6 Foundation.

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

8 WHEREAS art. VII, secs. 4 and 5 and art. VIII, secs. 1 and 2 of the  
9 Constitution of the State of Alaska call for the promotion and protection  
10 of public health, providing for the public welfare, the settlement of lands  
11 and the development of resources, and the utilization, development, and  
12 conservation of all state natural resources; and

13 WHEREAS although the Arctic Science and Policy Act of 1984 is commend-  
14 able and its passage long overdue, the Act focuses on federal interests and  
15 priorities solely and it is directed only at part of the state; and

16 WHEREAS the economic viability of the state, the well-being of its  
17 inhabitants, and the promise of a reasonable future for coming generations  
18 depends upon the support of applied and fundamental research directed at  
19 specific Alaskan problems; and

20 WHEREAS these physical, biological, medical, and social problems are  
21 only partially, or not at all, addressed by conventional sources of support  
22 resulting in significant gaps in both scientific and technical research  
23 endeavors;

24 BE IT RESOLVED that the Alaska State Legislature commends and supports  
25 the University of Alaska Foundation in its endeavors to forecast research  
26 needs and to find and fill the gaps in the current research effort, and be  
27 it

28 FURTHER RESOLVED that the Alaska State Legislature encourages the  
29 University of Alaska Foundation to seek support for long-term and stable

Introduced: 4/21/86  
Referred: Resources and  
Finance

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

1 IN THE SENATE

2

SENATE JOINT RESOLUTION NO. 49

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

Proposing amendments to the Constitution

6

of the State of Alaska creating the

7

Alaska research development endowment.

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

9 \* Section 1. Article IX, sec. 7, Constitution of the State of Alaska,  
10 is amended to read:

11 SECTION 7. DEDICATED FUNDS. The proceeds of any state tax or  
12 license shall not be dedicated to any special purpose, except as  
13 provided in section 15 and section 17 of this article or when required  
14 by the federal government for state participation in federal programs.  
15 This provision shall not prohibit the continuance of any dedication  
16 for special purposes existing upon the date of ratification of this  
17 section by the people of Alaska.

18 \* Sec. 2. Article IX, Constitution of the State of Alaska, is amended  
19 by adding a new section to read:

20 SECTION 17. ALASKA RESEARCH DEVELOPMENT ENDOWMENT. <sup>Up To 20</sup> ~~At least~~  
21 ~~one-third~~ <sup>percent</sup> of all royalties and royalty sale proceeds from North Slope  
22 natural gas received by the state shall be deposited in the Alaska  
23 research development endowment; <sup>however, THE TOTAL DEPOSITS FROM</sup> All income from investment of the <sup>ROYALTIES</sup>  
24 endowment shall be deposited in the Alaska research development endow-  
25 ment. Appropriations may not be made from the Alaska research devel-  
26 opment endowment except for the conduct of research as provided by  
27 law.

28 \* Sec. 3. The amendments proposed by this resolution shall be placed  
29 before the voters of the state at the next general election in conformity

ROYALTIES  
MAY NOT EXCEED  
\$1,000,000,000.

Introduced: 4/21/86  
Referred: Resources and  
Finance

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

2

SENATE BILL NO. 485

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

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

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

9 \* Section 1. LEGISLATIVE FINDINGS. (a) The legislatu finds that it  
10 is necessary to obtain the research information tha. will be needed to give  
11 the state the best attainable future over the next 50 to 100 years or more.

12 (b) The legislature further finds that research is needed for the  
13 wise development and use of the state's natural resources. These research  
14 areas include energy, defense, mineral resources, fisheries, forestry, and  
15 food and agriculture; and also the collection, storage, and dissemination  
16 of information; the state's transportation systems; and materials research  
17 engineering.

18 (c) Research is also needed to provide for the care and preservation  
19 of the state's natural resources and the culture and heritage of its di-  
20 verse peoples. These research areas include manmade changes in weather and  
21 climate, including the possibility of a warming trend of the whole earth;  
22 environmental protection; and archaeological, anthropological, and linguis-  
23 tic studies of the Native populations.

24 (d) The legislature further find. that research is needed to protect  
25 the health and well-being of Alaskans. Three topics are considered: health  
26 and disease; social pathology; and building construction and maintenance.

27 (e) Research is also needed on topics for which Alaska is a "natural  
28 laboratory" compared with other parts of the nation, and research on topics  
29 that support and contribu.e to improvements in many of the topics listed

(f) The legislative finds that the principle of a partnership of interest among government, academia, business, industry and residents of Alaska is essential in accomplishing the intent and purposes of this Act.

1 above. These research areas are: the upper atmosphere; weather and cli-  
2 mate; geology; natural hazards; snow, ice, and permafrost; northern oceans;  
3 and human resources.

4 \* Section 2. AS 14 is amended by adding a new chapter to read:

5 CHAPTER 55. ALASKA RESEARCH DEVELOPMENT ENDOWMENT.

6 Sec. 14.55.010. ALASKA RESEARCH DEVELOPMENT ENDOWMENT. (a)

7 Under art. IX, sec. 17, Constitution of the State of Alaska, there is  
8 established the Alaska research development endowment. <sup>AT LEAST 20%, up to</sup> ~~One-third~~ of  
9 all royalties and royalty sale proceeds from <sup>North Slope</sup> ~~North Slope~~ natural gas  
10 received by the state <sup>FROM THE AREA NORTH OF THE ALASKA RANGE</sup> shall be deposited in the Alaska research devel-  
11 opment endowment. All income from investment of the endowment shall  
12 be deposited in the Alaska research development endowment. Money in  
13 the endowment may be expended as provided in this chapter.

14 (b) The Alaska research development endowment shall be managed  
15 by the Alaska Research Development Corporation established in this  
16 chapter.

17 Sec. 14.55.020. ALASKA RESEARCH DEVELOPMENT CORPORATION. There  
18 is established the Alaska Research Development Corporation. The  
19 corporation is a public corporation and government instrumentality in  
20 the Department of <sup>REVENUE</sup> ~~Education~~, but has a legal existence independent of  
21 and separate from the state. The corporation is managed by the board  
22 of directors. Exercise by the board of the powers conferred by this  
23 chapter is an essential governmental function of the state.

24 Sec. 14.55.030. COMPOSITION AND QUALIFICATIONS OF BOARD OF  
25 DIRECTORS. (a) The Board of Directors of the corporation consists of  
26 11 members appointed by the governor, and two ex officio members.

27 (b) At least eight of the members must be state residents.  
28 Based on experience and achievement in their profession and in soci-  
29 ety, at least four of the members must have professional recognition

TOTAL OF \$1,000,000,000

1 in the business community, at least four must have professional recog-  
2 nition in the academic community, and at least three must have profes-  
3 sional recognition in federal, state, or <sup>INTERNATIONAL</sup> ~~local~~ government.

4 (c) The governor and the president of the University of Alaska  
5 are ex officio members of the board.

6 (d) The board shall annually elect a chairman and other neces-  
7 sary officers from among its members.

8 Sec. 14.55.040. TERM OF OFFICE. The members of the board serve  
9 <sup>SIX</sup> ~~five~~ year terms and may be reappointed. Terms shall be staggered.

10 Sec. 14.55.050. ~~REMOVAL AND~~ VACANCIES. (a) The governor may  
11 remove a board member from office. A removal by the governor shall be  
12 in writing and state the reason for removal. A board member who is  
13 removed by the governor may not participate in board business and may  
14 not be counted for the purpose of establishing a quorum after the  
15 member receives written notice of removal from the governor.

16 (a) ~~(x)~~ A vacancy on the board shall be promptly filled by appoint-  
17 ment by the governor ~~FROM A LIST PROVIDED BY THE NOMINATING COMMITTEE.~~  
18 the balance of the term for which the appointee's predecessor on the  
19 board was appointed.

20 (b) ~~(x)~~ A vacancy on the board does not impair the authority of a  
21 quorum of the board to exercise all the powers and perform all the  
22 duties of the board.

23 Sec. 14.55.060. QUORUM. (a) Seven members of the board consti-  
24 tute a quorum for the transaction of business and the exercise of the  
25 powers and duties of the board.

26 (b) Members of the board serve without compensation, but are  
27 entitled to per diem and travel expenses authorized by law for boards  
28 under AS 39.20.180.

29 Sec. 14.55.070. CONFLICTS OF INTEREST. Members of the board and

AND OTHER COMPENSATED PERSONNEL

1 the executive director, are subject to the provisions of AS 39.50.

2 Sec. 14.55.080. EMPLOYMENT OF PERSONNEL. The board shall employ  
3 and determine the salary of an executive director. The executive  
4 director may, with the approval of the board, select and employ addi-  
5 tional staff as necessary. The executive director and all employees  
6 of the corporation are in the exempt service under AS 39.25.

7 Sec. 14.55.090. POWERS. In carrying out the powers of the  
8 corporation, the board may

- 9 (1) adopt, alter, and use a corporate seal;
- 10 (2) prescribe, adopt, amend, and repeal bylaws;
- 11 (3) sue and be sued in the name of the corporation;
- 12 (4) enter into agreements necessary to the exercise of its  
13 powers and functions;

14 (5) accept grants from and contract with the federal gov-  
15 ernment and the state or its political subdivisions and to that end  
16 comply with the provisions of federal, state, or local programs when  
17 necessary, except that it may not enter into agreements in which a  
18 permanent state or local government position is financed or partially  
19 financed in connection with a project;

20 (6) accept grants and loans from and contract with sources  
21 other than those in (5) of this section for the purposes of the work  
22 of the corporation;

23 (7) COLLECT, STORE AND DISSEMINATE KNOWLEDGE OF A4A SEA AND  
(e) (7) appear on behalf of the corporation before boards, THE NORTH.  
24 commissions, departments, or other agencies of municipal, state, [or]  
25 federal government, OR INTERNATIONAL BODIES.

26 (9) (8) acquire, hold, use, lease, sell, or otherwise dispose  
27 of property of any kind, real, personal, or mixed, or an interest in  
28 it;

29 (10) (8) hold patents, copyrights, trademarks, royalties or

1 other evidences of protection or exclusivity issued under the laws of  
2 the United States or any state or nation obtained by persons receiving  
3 assistance from the corporation;

4 (11) (X) adopt regulations governing the exercise of its powers;  
5 and

6 (12) (X) do everything necessary or desirable to carry out the  
7 purposes of the corporation.

8 Sec. 14.55.100. DUTIES. The board may distribute grant funds to  
9 private individuals, companies, schools, universities, <sup>AND RESEARCH AND DEVELOPMENT ENTITIES</sup> and governmental  
10 agencies for the conduct of research.

11 Sec. 14.55.110. BUDGET AND APPROPRIATIONS. The corporation is  
12 subject to the provisions of the Executive Budget Act (AS 37.07).

13 Sec. 14.55.120. CORPORATION BUDGET. The revenue generated by  
14 the corporation's investments must be identified as the source of the  
15 operating budget of the corporation in the state's operating budget  
16 under the Executive Budget Act (AS 37.07). The unexpended balance of  
17 the corporation's annual operating budget does not lapse at the end of  
18 the fiscal year but shall be deposited in the Alaska research develop-  
19 ment endowment.

20 Sec. 14.55.130. ANNUAL REPORT. The board shall prepare an  
21 annual report of its activities and submit a copy of the report to the  
22 legislature. The annual report shall be transmitted to the legisla-  
23 ture at the beginning of each regular session. The report shall  
24 include a description of the research grants paid by the corporation  
25 and any other information that the board determines should be included  
26 to describe the work of the corporation.

27 Sec. 14.55.140. DEFINITIONS. In this chapter

28 (1) "board" means the Board of Directors of the Alaska  
29 Research Development Corporation;