

ALASKA LEGISLATURE COMMITTEE FILES 1993-1994 8672

7759 HOUSE • COMMUNITY & REGIONAL AFFAIRS •

24

State Land Grant Rankings

Ranked by the amount of federal land given to Land Grant University Systems	
1 New Mexico	1,346,546
2 Oklahoma	1,050,000
3 New York	990,000
4 Arizona	849,197
5 Pennsylvania	780,000
6 Ohio	699,120
7 Utah	556,141
8 Illinois	526,080
9 Indiana	436,080
10 Montana	388,721
11 Idaho	386,666
12 Alabama	383,785
13 Missouri	376,080
14 South Dakota	366,080
15 Massachusetts	360,000
16 Mississippi	348,240
17 Washington	336,080
18 North Dakota	336,080
19 Wisconsin	332,160
20 Kentucky	330,000
21 Tennessee	300,000
22 Virginia	300,000
23 Iowa	286,080
24 Michigan	286,080
25 Georgia	270,000
26 North Carolina	270,000
27 Louisiana	256,292
28 Minnesota	212,160
29 Maine	210,000
30 Maryland	210,000
31 New Jersey	210,000
32 California	196,080
33 Arkansas	196,080
34 Florida	182,160
35 Connecticut	180,000
36 South Carolina	180,000
37 Texas	180,000
38 Kansas	151,270
39 New Hampshire	150,000
40 Vermont	150,000
41 West Virginia	150,000
42 Colorado	138,040
43 Oregon	136,165
44 Nevada	136,080
45 Nebraska	136,080
46 Wyoming	136,080
47 Rhode Island	120,000
48 Alaska	112,064
49 Delaware	90,000
50 Hawaii	0
TOTAL	16,707,787

Average 334,156

Ranked by the percentage of the state grant given to Land Grant University Systems	
1 New York	100.00%
2 Pennsylvania	100.00%
3 Massachusetts	100.00%
4 Tennessee	100.00%
5 Virginia	100.00%
6 Georgia	100.00%
7 North Carolina	100.00%
8 Maine	100.00%
9 Maryland	100.00%
10 New Jersey	100.00%
11 Connecticut	100.00%
12 South Carolina	100.00%
13 Texas	100.00%
14 New Hampshire	100.00%
15 Vermont	100.00%
16 West Virginia	100.00%
17 Rhode Island	100.00%
18 Delaware	100.00%
19 Kentucky	93.06%
20 Oklahoma	33.92%
21 Ohio	25.34%
22 Washington	11.04%
23 Indiana	10.79%
24 South Dakota	10.56%
25 North Dakota	10.52%
26 New Mexico	10.52%
27 Idaho	9.09%
28 Illinois	8.44%
29 Arizona	8.05%
30 Alabama	7.67%
31 Utah	7.41%
32 Montana	6.52%
33 Mississippi	5.71%
34 Missouri	5.07%
35 Nevada	4.99%
36 Nebraska	3.93%
37 Iowa	3.55%
38 Wisconsin	3.26%
39 Wyoming	3.13%
40 Colorado	3.09%
41 Michigan	2.36%
42 Louisiana	2.24%
43 California	2.22%
44 Kansas	1.94%
45 Oregon	1.94%
46 Arkansas	1.54%
47 Minnesota	1.29%
48 Florida	0.75%
49 Alaska	0.11%
50 Hawaii	0.00%
TOTAL	5.09%

Average 42.01%

Ranked by the amount of federal land given to the States	
1 Alaska	104,569,251
2 Florida	24,214,366
3 Minnesota	16,422,051
4 New Mexico	12,794,718
5 Michigan	12,142,346
6 Arkansas	11,936,334
7 Louisiana	11,441,343
8 Arizona	10,543,753
9 Wisconsin	10,179,304
10 California	8,825,508
11 Iowa	8,061,262
12 Kansas	7,794,669
13 Utah	7,501,737
14 Missouri	7,417,022
15 Oregon	7,032,347
16 Illinois	6,234,555
17 Mississippi	6,097,997
18 Montana	5,963,338
19 Alabama	5,006,283
20 Colorado	4,471,504
21 Wyoming	4,342,520
22 Idaho	4,254,448
23 Indiana	4,040,518
24 Nebraska	3,452,711
25 South Dakota	3,435,373
26 North Dakota	3,163,552
27 Oklahoma	3,095,760
28 Washington	3,044,471
29 Ohio	2,758,862
30 Nevada	2,725,225
31 New York	990,000
32 Pennsylvania	780,000
33 Massachusetts	360,000
34 Kentucky	354,607
35 Tennessee	300,000
36 Virginia	300,000
37 Georgia	270,000
38 North Carolina	270,000
39 Maine	210,000
40 Maryland	210,000
41 New Jersey	210,000
42 Connecticut	180,000
43 South Carolina	180,000
44 Texas	180,000
45 New Hampshire	150,000
46 Vermont	150,000
47 West Virginia	150,000
48 Rhode Island	120,000
49 Delaware	90,000
50 Hawaii	0
TOTAL	328,426,536

Average 6,568,531

FACT SHEET

SB 217 - Enhancing UA Land Grant

1. Does not take effect until final settlement of the mental health land dispute;
2. Gives priority to Municipal land selections;
3. Provides that land transfers are subject to:
 - * §(i) of Alaska Statehood Act
 - * Permanent Fund requirements for oil, gas and mineral royalties and bonuses
 - * Other rights of the state
4. Allows UA to select 1,000,000 acres including lands:
 - * Not conveyed by the state
 - * Not reserved from public domain
 - * Not included in 5-year oil & gas leasing program
 - * Not necessary for interagency agreement
 - * Not subject to land exchange
 - * Unconveyed and unencumbered, except:
 - Leases (other than oil and gas)
 - Timber contracts
 - Mining claims
 - Materials sales
 - Land use permits
 - Exploration licensing area
5. Department of Natural Resources can refuse to convey land if the Commissioner considers the retention of land in state ownership to be in the best interests of the state;
6. The University can appeal the Commissioner's decision to the Governor, but is prohibited from entering into litigation;
7. The University pays the costs of land conveyance and surveying;
8. Income from existing encumbrances (leases, mining claims, timber contracts, etc.) go to state until term of existing agreement is completed.

SB 217 has had three substantive hearings in the Senate. The changes and clarifications that have been made in response to concerns and questions are summarized as follows:

Senate HESS Committee:

- * Income from existing leases goes to the state
- * No conflict with exploration licensing
- * Mental health selections take priority

Senate Resources Committee:

- * UA pays for conveyance costs
- * Exterior boundary survey only
- * Trust receipts subject to legislative appropriation
- * DNR management of existing encumbrances

Senate Finance Committee:

- * 15-year time limit to select lands
- * Provides for interim conveyance
- * Prohibits litigation and provides appeal process to the Governor

SB 217 - UA LAND GRANT

Why 1 million acres?

The University wanted 5 million acres -- which represents the average percentage of state grant lands given to Grant University Systems. We thought that was too much and settled for 1 million acres. This percentage will move the UA Land Grant System from the lowest to the second lowest of the forty-nine states receiving land grants (Hawaii did not receive any land grant from the federal government).

What is the impact relative to the Mental Health litigation?

The bill directs that the University cannot begin selections until final completion of all litigation relating to the Mental Health trust suit. [Sec. 11]

Will we end up with another land litigation between the state and the UA?

SB 217 prohibits litigation in UA appeals or land selections. The bill directs that all appeals will be settled by the Governor [Sec. 4 (f)]

Why should the University be involved in managing state lands?

The federal government established public land grant universities with land intended to be used to support the teaching, research, and public service activities deemed necessary by the state. With state revenues declining, an adequate land base will provide the University with alternative revenues to support its programs.

This bill will divert state revenues to the University?

The purpose of this bill is to generate new state revenue. Other than oil and gas lands, the Department of Natural Resources has not been very successful in getting state lands into revenue generating development. Land management projects pursued by the University such as subdivision development, recreational sites, gravel, timber, and mineral exploration have all added new resources to the state that would likely not have been developed if the land remained in state ownership.

How will the University account for additional land revenue?

The Finance version of SB 217 [Sec. 9] requires that all monies from the UA land trust be appropriated by the legislature as program receipts.

What process is in place at the University for public hearings on its land management proposals?

As a public entity, the UA is subject to all provisions of the Open Meetings and Open Records acts. The annual land plan is noticed 30 days in advance, and sent out to all interested groups and individuals. Public testimony, including audio conferencing as requested, is taken at the Board of Regents meeting, and written comments from interested individuals are provided to the Board. In addition, individual projects in organized municipalities are subject to all the public processes associated with planning, zoning and re-platting. Other public processes which may be required for specific land transactions include permits and rights-of-way by the US Army Corps of Engineers, the State Division of Lands, the State Division of Forestry, and findings of consistency with the Alaska Coastal Zone Management Law, the Forestry Practices Act and other state and federal statutes that govern the public and private development of Alaska's land.

Why doesn't UA land management fall under Title 38 provisions?

Title 38 (Alaska Public Lands) applies to the state's "public domain land" and UA trust land is specifically defined as "not public domain land". Public domain lands are intended to be managed in a way that provides for the broadest possible public interest. While this may be appropriate for state lands, the whole idea of UA trust lands is that they are established to "...provide income for the support of public higher education in the state."

Land made available for conveyance to the UA Trust must undergo the public notice provisions outlined in Title 38 [Sec. 4.(h)] prior to availability for UA selections. SB 217 provides the Commissioner of DNR with the responsibility for making the "best interest" determinations on all lands available for transfer.

Is UA trust land exempt from the Forest Practices Act?

No. The act applies to all public and private land. As does the Coastal Zone Management Act.

Why should the UA be allowed to develop oil and gas leases?

SB 217 prevents all oil and gas lands in the DNR 5 year plan from being available for conveyance [Sec. 4.(a)(3)]. The fact is that if the University can get additional oil and gas lands into development it will be in the state's best interest. If the University, by some stroke of luck, selected land that the state had not already identified, and began earning millions of dollars a year in revenue, it is likely that the state would consider their option of displacing the current general fund base!

What happens to income from existing leases and encumbrances?

SB 217 provides that all income from existing leases and encumbrances remains with the state until termination of the contract [Sec. 6.].

Who will pay for surveying and land conveyance?

SB 217 provides that all costs will be paid by the University from program receipts [Sec. 1.(j)]

What is the current status of the UA land trust?

The UA trust owns 112,000 acres and interest in an additional 85,000 acres. Of the total 197,000 acres that the University owns or has an interest in, 109,000 or 55% is being actively managed for revenue potential. Of the remaining 88,000 acres, we estimate that 36,000 are glaciers, mountain tops, wetlands or physically undevelopable and the remaining 52,000 acres are either very remote or otherwise viewed as longer term development opportunities.

In FY87, the first year the University had management of its own lands, the trust had annual revenues of \$590,000. In FY93, the trust generated \$4.1 million, or approximately \$20.80 per acre. In FY93 the state generated \$9.2 million, or \$0.11 per acre from its 85 million acres (excluding oil and gas). Fiscal year 94 revenues are expected to be approximately \$7 million.

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

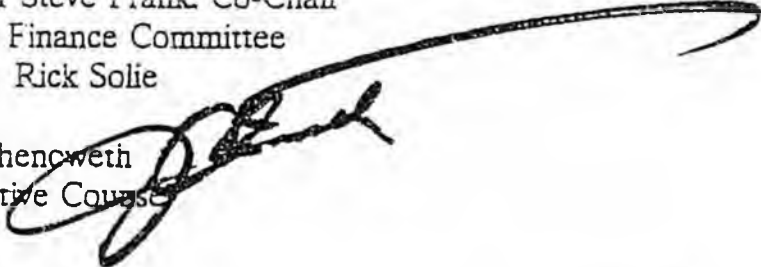
MEMORANDUM

April 1, 1994

SUBJECT: CSSB 217 (Finance) -- Sectional analysis
(Work Order No. 8-LS0468\X)

TO: Senator Steve Frank, Co-Chair
Senate Finance Committee
ATTN: Rick Solie

FROM: Jack Chencoweth
Legislative Counsel



The measure proposes (1) to permit the University of Alaska to select and receive the conveyance of one million acres of land that has been selected by the state under the provisions of section 6(b) of the Alaska Statehood Act and (2) to hold the land selected in trust as part of the University endowment.

Specifically--

Bill section 4, proposing a new section, AS 14.40.365, would authorize selection of, and conveyance of, state land by the University:

-- Subsection (a) sets the total amount of land the University may select and describes the kind of land that is available to the University to complete its selection, tying the description of the kind of land that may be selected to its status on the date the land is selected.

-- Subsection (b) sets aside the effect of AS 38.05.125(a) to allow the state to pass the mineral or subsurface estate in the land selected to the University.

-- Subsection (c) mandates conveyance of University selections "unless the commissioner [of natural resources] determines under [subsection (e)] that the title should not be conveyed."

-- Subsection (d) directs that when the University has made a land selection, the land selected is closed to entry until a decision is made on the proposed selection.

-- Subsection (e) precludes the commissioner of natural resources from conveying land if the conveyance of the proposed selection conflicts with a municipal land selection or is not in the state's best interests, and identifies six factors that the commissioner is to consider.

-- If there is a difference of opinion between the Board of Regents and the commissioner of natural resources as to a land selection, subsection (f) directs the governor to make a final decision with respect to the conflict over the selection.

-- Subsection (g) declares that the University takes land conveyed to it subject to any outstanding possessory interest--any outstanding interest in the party held or asserted by a third party--but gives to the University the right to any consideration otherwise due the state for that possessory interest from date of conveyance to termination of the possessory interest.

-- Subsection (h), applicable to the land conveyances, imposes on the commissioner of natural resources the duty to provide notice and allow access.

-- Subsection (i) subjects the land that is transferred or conveyed to the University to certain other laws:

-- section 6(i) of the Statehood Act, reserving to the state--under subsection (b), presumably to the University the mineral estate;

-- article IX of the state constitution, addressing, generally, matters of finance and taxation;

-- AS 19.10.010, a provision relating to the reservation of state land for public highway purposes; and

-- the rights of the state under former 43 U.S.C. 932--more commonly known as RS 2477--relating to rights-of-way over unreserved public land for public highway construction:

but it excludes from selection by and conveyance to the University certain lands obtained by the state under the Alaska Omnibus Act, P.L. 86-70.

-- Subsection (j) requires the University to bear the costs of selection, platting, surveying, and conveyance of its selections and sets limits on the nature of the survey requirements that attach to land selections.

-- Subsection (k) permits use of documents of interim conveyance.

-- Subsection (l) declares that, with the exception specifically noted, management of land conveyed by a final or an interim conveyance document vests with the University from the date of the document's execution.

-- Subsection (m) sets a final land selection limitation date of December 31, 2009.

There are three closely related sections --

Bill section 5 repeals and reenacts proposed AS 14.40.365(e) adding land subject to an oil and gas exploration license to municipal land selections and other selections that are not in the state's best interests as land that the commissioner may not convey to the University under AS 14.40.365.

Bill section 11 sets aside land that may be used to satisfy the obligation to reconstitute the mental health trust as other land that may not be conveyed to the University under the Act.

Bill section 12: Section 11, described above, is tied to the coming into effect of ch. 66, SLA 1991, legislation settling the state's obligation to reconstitute the mental health trust. Section 12 expresses legislative intent that, in the event section 11 does not take effect before the principal land selection and conveyance provisions of this Act, the commissioner of natural resources reject selections by the University of Alaska of land described in section 11 and made under the provisions of this Act that would be required to reconstitute the mental health trust.

There are a number of collateral provisions --

Bill section 2 amends AS 14.40.170(a) to add to the duties of the Board of Regents responsibility for the land selected and conveyed to the University under AS 14.40.365, and requires the Regents to include within their required annual report a discussion of the earnings of that land.

Bill section 3 adds "land selected by and conveyed to the University [of Alaska] under AS 14.40.365" as land that is not to be treated as part of the state public domain land.

Bill section 6 addresses the manner of the management and disposition of income from encumbrances on land selected by and conveyed to the University. That responsibility shifts from the state to the University only after conclusion of the term of an existing encumbrance and the term of any renewal that may be authorized by the language of the existing encumbrance.

Bill section 7: A key provision, this amendment of AS 14.40.400(a) alters the provision that directs the University to establish an endowment trust fund for land conveyed to it under the 1929 grant to the Territory of Alaska for the benefit of the University to require deposit into the trust the land selected by the University and

Senator Steve Frank

April 1, 1994

Page 4

conveyed by the state under AS 14.40.365. The land selections made under bill section 4 would be managed under applicable trust principles.

Bill section 8 makes disbursements from the University endowment trust fund subject to legislative appropriation.

Bill section 9 amends the definition of "university receipts" to incorporate reference to the net income of the University trust fund.

Bill section 10: This amendment of AS 29.45.030(a) would extend to the land selected by the University and conveyed to it under AS 14.40.365 the exemption from municipal taxation that is provided to other land granted by the federal or state governments to the University for land grant purposes, by extending to this selected land the exception to an exemption of state land held for purposes of investment.

Bill section 1 incorporates into proposed findings and a statement of purpose a brief statement of the history of University land transactions and a justification for this measure.

Finally, there are two contingent effective date provisions --

Bill section 13 ties the effective date of bill section 5 (special provision relating to oil and gas exploration licensing) to adoption of a version of that Act.

Bill section 14 ties the effective date of section 11 (University selections not to conflict with mental health land selections) to the effective date of ch. 66, SLA 1991.

JBC:lmb

94-107.lmb

UNIVERSITY OF ALASKA
STATEWIDE ADMINISTRATION

TO: Senator Steve Frank

FROM: Wendy Redman

DATE: March 18, 1994

RE: Public Process for University Land Management

In discussing SB 217, the University land bill, questions have come up regarding the process for public review of UA land management projects. As you know, the Board of Regents are clearly subject to the state's open meetings and open records statutes and have a history of doing their business, including Board retreats, in open public sessions. All land management decisions must be made by the Board following public notice and public consideration of the proposal. Our internal processes call for multiple opportunities for public involvement in university land management decisions, which vary depending on the type of land management project, the location of activities, and the scale of the projects. While we have received complaints about specific land development projects, we have not, to my knowledge, received complaints about the lack of opportunity for public input.

Each year, the Statewide Office of Land Management prepares an annual plan of operations. This plan includes all projects planned for the coming year, details progress of the previous year's projects, and summarizes all completed and ongoing projects. It is presented to the Board of Regents for approval, normally at the December meeting. The public meeting notice for that Board meeting includes notice of the land plan and is published in all of the major newspapers of the state. Copies of the plan are available for public review at least 30 days prior to the meeting at sites around the state and copies are provided directly to all interested groups and individuals. During the Board of Regents meeting, members of the public can comment on any land management projects contained in the plan.

The public comment portion of regular Board of Regents meetings are also an opportunity for members of the public to bring their concerns about potential land projects which are not yet slated for action by the board. The public has taken advantage of the opportunity to address the Board on many occasions, and their input is taken very seriously by the Board. If individuals cannot be present in the community where the Board is meeting, written testimony is taken or arrangements for audio conferencing can be made.

Occasionally, special projects are initiated which are not included in the plan. In such events, a separate agenda item is brought before the Board of Regents after public notice. Action is taken by the Board after the opportunity for public comment at the meeting.

Questions have arisen regarding Section 3 of the bill that defines UA trust lands as being "...not public domain land." First of all, this section provides no change from the current trust land status, but only provides that the new lands are given the same status. The concerns have been that this somehow exempts the UA from other statutes regarding land management practices such as the Forest Practices Act and the Coastal Zone Management Act. This is definitely not true. As you know, these statutes all apply to all public and private land development, and the University is subject to all statutory provisions regarding land development projects that are covered by these acts. The definition of trust lands as "not in the public domain" has to do with the primary purpose of the lands. Public domain lands are intended to provide the broadest possible public use, while UA trust lands are intended to provide "...income for the support of public higher education in the state." The distinction is not intended as a shield to protect the UA from public processes on land development projects, but to clarify the primary purpose of the trust.

Land management decisions in organized municipalities which require changes in planning and zoning rules, or which require re-platting (which includes the majority of new projects) must also follow the public notice and hearing requirements of the particular community, which typically involve public meetings and/or hearings of the platting board, planning and zoning commission, or in some cases, action by the local council or assembly.

Other public processes which may be required for specific land transactions include permits and rights-of-way by the US Army Corps of Engineers, the State Division of Lands, the State Division of Forestry, and findings of consistency with the Alaska Coastal Zone Management law. Each of these processes also include public notice and opportunities for public comment.

I hope this information will be helpful to you if further questions arise on this issue. As I said above, the University has not had complaints about the lack of opportunity for public input in our management of University lands, or in any other facet of our operation. In fact, we have more complaints about the practice of "too much talk" prior to reaching decisions!

UNIVERSITY OF ALASKA
Statewide Administration

Rep. Hawley Oberg

TO: Community & Regional Affairs Committee
Alaska House of Representatives

FROM: Wendy Redman, Vice President Wendy Redman
University of Alaska Statewide System

DATE: April 30, 1994

RE: SB 217 - UA Land Bill

In Friday's hearing on SB 217, questions were raised about the current land management practices of the University with a suggestion that our current practices may not be aggressive enough. As you know, Representative Phillips raised these same issues in a letter to the University, and subsequently chose to provide the amendment that was adopted by the CR&A Committee on Friday.

For your information I have inclosed a copy of Representative Phillips' letter and Vice President Brian Rogers' response. The response explains in some detail the current status of our land development activities and gives a good review of the many obstacles we face.

If you have any questions, please feel free to call me. My office phone is 463-3086 and my home phone is 463-4687.

Alaska State Legislature

House of Representatives

ALA 5/15/94

Official Business



State Capitol
Juneau, Alaska 99801-1182
(907) 465-3718

House Majority Leader

April 13, 1994

Mr. Brian Rogers, Vice President for Finance
University of Alaska
910 Yukon Drive
Fairbanks, AK 99775-5260

Dear Mr. Rogers:

Thank you for responding to my concerns regarding the University of Alaska's land management. My concern with the University's land, is with regard to the number of acres currently generating revenue. I realize that approximately 109,000 acres are under "active management," however from the information you and the University Office of Land Management has provided me, I can only account for approximately 13,000 acres of land which are generating revenue. I was unable to obtain the number of acres generating revenue from the University Office of Land Management and therefore compared the acreage listed for each parcel in the "Estimate Number of Acres of Land Under Active Management," with the University Office of Land Management's Annual report, which described usage of the land. Only 13,000 acres of the 109,000 acres listed as "under active management" proved to be generating revenue. The remaining 96,000 acres under "active management" are described in the University Office of Land Management's report as either not complete, still under analysis or non-revenue generating.

The University has obviously made significant improvements in land management as revenues continue to increase. However, I am concerned that the University holds title to a significant amount land which still needs to be developed.

Additionally, I would like to know how the revenues currently generated from University land are utilized and also what the University plans to do with the 88,000 acres which are assumed to be undevelopable or very remote.

Thank you for your time.

Sincerely,

Gail Phillips
REPRESENTATIVE

GP:pmd

cc: University Office of Land Management
Jerome Komisar, President, University of Alaska
Wendy Redman, Vice President, University of Alaska
Sharon Gagnon, President, Board of Regents
Sen. Steve Frank, Co-Chair, Senate Finance
Rep. Terry Martin, Chair, University Budget Subcommittee
Rep. Ramona Barnes, Speaker of the House

**University of Alaska
Statewide System**

F A X T R A N S M I T T A L *****
M E M O

TO: Wendy

DEPT: _____

FROM: Brian FAX #: 463-3164

CO: _____ PHONE: _____

Post-it brand fax transmittal memo 7871

NO. OF PAGES

Via facsimile #465-3472

April 21, 1994

The Honorable Gail Phillips
Alaska State Representative
Room 216
State Capitol
Juneau, AK 99801-1182

RE: University of Alaska land

Dear Gail:

I am writing in response to your April 13, 1994 letter in which you raise several questions about University land management. I will address them below.

The University recently received its land. Land transfers from the University's first settlement with the State were not completed until 1988. Land transfers from the second settlement with the State were almost completed in 1993. As a result, most of the valuable land in university ownership has been in university hands for less than five years. In contrast, the State's other major land owners have had most of their land for far longer.

The University's land is diverse. Land received by the University is diverse geographically and in terms of its characteristics. While diversity results in a balanced portfolio, it significantly increases management and development costs, and the time required to obtain and generate data on the land characteristics and resources.

University's selections follow others. University land settlements took place after ANCSA and municipal selections. In many instances, other land owners got the more readily developable land. In addition, when the University made its selection, the Department of Natural Resources did not allow the University to high-grade but required us to take good and bad land within a selection. Our land base is thus not uniformly of good development potential.

Real estate and resource development are market driven. The University can only develop and sell what the market will bear. The University, along with other land owners, must strive for balance in order to sustain markets. In addition, the University

The Honorable Gail Phillips
April 21, 1994
Page 2

faces tough competition from other land owners in the state. Developing and selling all of the University's property at once would be prohibitively expensive and flood the market, thus depressing prices. This would incur the wrath of the citizens of Alaska, and would reduce net income to the University trust fund. Phased development based on market conditions is prudent. This approach, however, takes time and typically requires that much of the cost in time and money to plan for the entire property is expended up front, but the property developed and sold over time.

Timing and conditions not yet right to develop. A very common limitation on the development of University lands is lack of access or infrastructure. In addition, some of the property the University received in the settlements with the State was previously encumbered or logged before the University received title. Portions of the university's trust will therefore need to wait decades before being developed.

University is here for the long haul. Due to the fact that the University will be in existence for the long term, the character of its land, which might be viewed by others as problematic, presents a long-term opportunity and challenge to the University. Most of the University's remote land will be held for future development. However, the undevelopable tracts will be evaluated for trade or sale, if possible for wetlands or habitat mitigation for other university development projects.

The University is a public institution. This requires the Statewide Office of Land Management (SOLM) staff to participate in non-revenue generating activities such as entry permits to charitable organizations and numerous small land sales and trespass resolutions. There are also a large number of projects with small revenue generation potential. Much the same amount of work goes into a small project as a large project and, the University treats seriously all income producing opportunities, irrespective of size.

The University has limited land management staff and budget. SOLM is funded from the investment proceeds of the Land Grant Trust Fund, as are the Inflation Proofing Fund and the Natural Resources Fund. (A copy of this year's Report to the Legislature is attached for your review. It summarizes how land grant trust fund revenues are utilized.) Therefore, despite the fact that SOLM generates revenue for the University, funding the land management operating budget competes with other Land Grant Trust Fund obligations. The University would welcome general fund support for additional staff and budget. It is our understanding that DNR received special funding for one year to hire twenty people to review potential RS 2477s.

There is considerable pressure both within and outside Alaska not to develop. University projects are occasionally subject to pressure not to develop, the threat of litigation or actual litigation. This typically delays projects and drives up their cost. Examples include the litigation-driven seven year delay (so far) in bringing a Gulf Coast timber sale on line (approximately 34,000 acres) and the public pressure leading to failure of the Carrs/Wal-Mart project in Fairbanks.

The development process is very expensive and time consuming, and more often than not, projects do not get off the ground. As is typical of development in the private sector, approximately one-fifth of the real estate ventures may make it through all the feasibility studies and analyses and still never get off the ground due to a

The Honorable Gail Phillips
April 21, 1994
Page 3

variety of market driven reasons. The University has additional battles to fight: the perception by the general public that University lands should be managed like state lands and the feeling by the public that the University should manage its lands to a higher standard.

SOLM typically follows a three stage process:

Preliminary land use decisions. Almost all of the land SOLM manages was received from the State with no survey information, aerial photography, plats, resource or other basic data from which to make preliminary decisions about land use. This information must be obtained before preliminary land use decisions are made. Obtaining this information is very expensive in terms of both staff time and data acquisition costs. Limited financial resources, public procurement, contract negotiations, contractor's performance, and evaluation of the end product are some of the components in the timeline. In addition, developing data is typically phased in order to manage financial resources. For example, determining whether add a remote parcel of timber or mineral prospect to the University program might take several field seasons. In other instances, where data is more readily available, decisions are made much more quickly. Aerial photography, consultants, etc. for this phase can cost tens of thousands of dollars. From this information, parcels are selected which will be considered for predevelopment.

Predevelopment. Typically, a much higher level of detail is required in order to determine whether a project is prudent. This may involve topographic mapping, drill holes, preliminary engineering estimates, cadastral surveys, preliminary feasibility studies, etc. On a major project, these costs can easily exceed \$100,000 and take a field season or longer. A decision to proceed will lead to development.

Development. Land and resources can be developed in many ways. In order to generate the greatest income while prudently managing the risk associated with a specific project, a decision is made at this point whether to do the project in-house or to attract a developer. If done in-house, a major project can involve the majority of the time of one or more staff for several years. By way of example, a major remote timber property may take five years to get to market and cost more than \$1 million to develop, not including legal fees associated with permitting and court challenges, infrastructure costs and operating capital.

Since the majority of good university land was received by the university in the last few years (due to the two land settlements with the State), the majority of staff effort in recent years has been expended in the first two phases of this process. Notwithstanding this fact, our current projections show that excluding oil and gas development, the University of Alaska will generate more from its land activities on 13,000 acres in FY94 than the state Division of Lands generated from its millions of acres in FY93.

The 13,000 acres you estimate are generating revenue is a very significant amount of land, given the limitations cited above. This acreage represents essentially all of the land from which income can be generated today. I suggest to you that the University rivals larger corporations (both Alaskan and outside) in its development activities on a limited land base, except those that have large tracts of land leased for agriculture or oil, gas and mineral exploration.


The Honorable Gail Phillips
April 21, 1994
Page 4

In summary, developing land is a very expensive and time consuming process involving staff, consultants, development of data, feasibility studies, permitting, environmental issues, addressing public concerns and occasionally litigation. It is a balance of risk and limited resources and requires finding or creating market opportunities. Many projects take years to develop and are subject to the vagaries of the marketplace. Projects are constantly shifted to adapt to information developed through investigation. If it is determined that properties require additional time to develop, they are not forgotten. Markets, DOT road plans, municipal water and sewer plans, etc. are closely followed. Staff participate in their development to create maximum benefit for University land.

The University will be in Alaska for the foreseeable future. Aggressively developing current opportunities and positioning other properties, in a phased and balanced manner, while at the same time allowing some of the trust's wealth to "mature" in an undeveloped state for the future when it has more potential is often in the best fiduciary interest of the trust.

Your letter states a concern that "the University holds title to a significant amount of land which still needs to be developed." I hope that the above adequately responds to your concern. Please do not hesitate to contact me if you have further questions about the University's land management activities.

Sincerely,



Brian Rogers
Vice President for Finance

Attachment

DIVISION OF LEGAL SERVICES

**LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

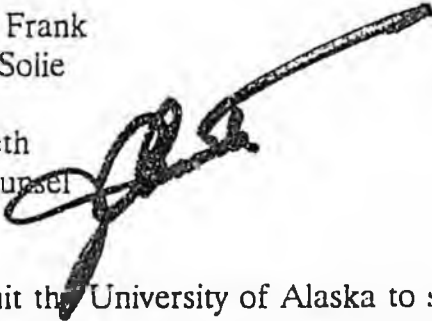
MEMORANDUM

April 25, 1994

SUBJECT: CSSB 217 (Finance) am -- Sectional analysis (Work Order No. 8-LS0468\D)

TO: Senator Steve Frank
ATTN: Rick Solie

FROM: Jack Chenoweth
Legislative Counsel



The measure proposes (1) to permit the University of Alaska to select and receive the conveyance of 500,000 acres of land that has been selected by the state under the provisions of section 6(b) of the Alaska Statehood Act and (2) to hold the land selected in trust as part of the University endowment.

Specifically--

Bill section 4, proposing a new section, AS 14.40.365, would authorize selection of, and conveyance of, state land by the University:

-- Subsection (a) sets the total amount of land the University may select and describes the kind of land that is available to the University to complete its selection, tying the description of the kind of land that may be selected to its status on the date the land is selected.

-- Subsection (b) sets aside the effect of AS 38.05.125(a) to allow the state to pass the mineral or subsurface estate in the land selected to the University. However, the state's oil and gas interest in land that the University may select passes only as to land that the University selects after the fifth anniversary date of the Act's effective date.

-- Subsection (c) mandates conveyance of University selections "unless the commissioner [of natural resources] determines under [subsection (e)] that the title should not be conveyed."

-- Subsection (d) directs that when the University has made a land selection, the land selected is closed to entry until a decision is made on the proposed selection.

-- Subsection (e) precludes the commissioner of natural resources from conveying land if the conveyance of the proposed selection conflicts with a municipal land selection or is not in the state's best interests, and identifies six factors that the commissioner is to consider.

-- If there is a difference of opinion between the Board of Regents and the commissioner of natural resources as to a land selection, subsection (f) directs the governor to make a final decision with respect to the conflict over the selection.

-- Subsection (g) declares that the University takes land conveyed to it subject to any outstanding possessory interest--any outstanding interest in the party held or asserted by a third party--but gives to the University the right to any consideration otherwise due the state for that possessory interest from date of conveyance to termination of the possessory interest.

-- Subsection (h), applicable to the land conveyances, imposes on the commissioner of natural resources the duty to provide notice and allow access.

-- Subsection (i) subjects the land that is transferred or conveyed to the University to certain other laws:

-- section 6(i) of the Statehood Act, reserving to the state--under subsection (b), presumably to the University the mineral estate;

-- article IX of the state constitution, addressing, generally, matters of finance and taxation;

-- AS 19.10.010, a provision relating to the reservation of state land for public highway purposes; and

-- the rights of the state under former 43 U.S.C. 932--more commonly known as RS 2477--relating to rights-of-way over unreserved public land for public highway construction;

but it excludes from selection by and conveyance to the University certain lands obtained by the state under the Alaska Omnibus Act, P.L. 86-70. Under paragraph (3) of the subsection, for land selections made by the University within five years of the taking effect of the Act, the state shall reserve to itself in perpetuity any oil and gas interests on that land.

-- Subsection (j) requires the University to bear the costs of selection, platting, surveying, and conveyance of its selections and sets limits on the nature of the survey requirements that attach to land selections.

-- Subsection (k) permits use of documents of interim conveyance.

-- Subsection (l) declares that, with the exception specifically noted, management of land conveyed by a final or an interim conveyance document vests with the University from the date of the document's execution.

-- Subsection (m) sets a final land selection limitation date of December 31, 2009.

There are three closely related sections --

Bill section 5 repeals and reenacts proposed AS 14.40.365(e). The repeal and reenactment is for the purpose of adding land subject to an oil and gas exploration license to municipal land selections and other selections that are not in the state's best interests as land that the commissioner may not convey to the University under AS 14.40.365.

Bill section 11 sets aside land that may be used to satisfy the obligation to reconstitute the mental health trust as other land that may not be conveyed to the University under the Act.

Bill section 12: Section 11, described above, is tied to the coming into effect of ch. 66, SLA 1991, legislation settling the state's obligation to reconstitute the mental health trust. Section 12 expresses legislative intent that, in the event section 11 does not take effect before the principal land selection and conveyance provisions of this Act, the commissioner of natural resources reject selections by the University of Alaska of land described in section 11 and made under the provisions of this Act that would be required to reconstitute the mental health trust.

There are a series of collateral provisions --

Bill section 2 amends AS 14.40.170(a) to add to the duties of the Board of Regents responsibility for the land selected and conveyed to the University under AS 14.40.-365, and requires the Regents to include within their required annual report a discussion of the expenditures made based on the earnings of that land.

Bill section 3 adds "land selected by and conveyed to the University [of Alaska] under AS 14.40.365" as land that is not to be treated as part of the state public domain land.

Bill section 6 adds a series of new related bill sections. Proposed AS 14.40.366 directs the University to develop an annual plan for the management and disposition of land and describes a framework under which the public has the opportunity to comment on the Regents' plan. Proposed AS 14.40.368 addresses the manner of the management and disposition of income from encumbrances on land selected by and conveyed to the University. That responsibility shifts from the state to the University

only after conclusion of the term of an existing encumbrance and the term of any renewal that may be authorized by the language of the existing encumbrance. Proposed AS 14.40.369 declares that the University's management of land conveyed to it must permit continued "customary and traditional uses of the resources of that land to the maximum extent possible."

Bill section 7: This amendment of AS 14.40.400(a) alters the provision that directs the University to establish an endowment trust fund for land conveyed to it under the 1929 grant to the Territory of Alaska for the benefit of the University to require deposit into the trust the land selected by the University and conveyed by the state under AS 14.40.365. The land selections made under bill section 4 would be managed under applicable trust principles.

Bill section 8 makes disbursements from the University endowment trust fund subject to legislative appropriation.

Bill section 9 amends the definition of "university receipts" to incorporate reference to the net income of the University trust fund.

Bill section 10: This amendment of AS 29.45.030(a) would extend to the land selected by the University and conveyed to it under AS 14.40.365 the exemption from municipal taxation that is provided to other land granted by the federal or state governments to the University for land grant purposes, by extending to this selected land the exception to an exemption of state land held for purposes of investment.

Bill section 11 incorporates into proposed findings and a statement of purpose a brief statement of the history of University land transactions and a justification for this measure.

Finally, there are two contingent effective date provisions --

Bill section 13 ties the effective date of bill section 5 (special provision relating to oil and gas exploration licensing) to adoption of a version of that Act.

Bill section 14 ties the effective date of section 11 (University selections not to conflict with mental health land selections) to the effective date of ch. 66, SLA 1991.

AMENDMENT

SB 217 - University of Alaska Land Grant

Page 10, Line 12

After "... extent",

Delete: "possible"

Insert: "practicable"



HOUSE COMMUNITY AND REGIONAL AFFAIRS

SUBJECT OF MEETING:
SB 217

DATE: 4/29/94

PLACE: Rm 124

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?		WHAT SUBJECT/ WHICH BILL?
Paula Ditton	Rep. Gail Phillips					Y	N	
Bob Ward	ALASKA MINERS				586-1648	Y	N	
Andy Robinson	UAA					Y	N	
RUSSELL HEATH	AK ENV. LOBBY	PO Box 22151 Juneau AK	99802		463-3366	<input checked="" type="radio"/>	N	SB 217
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	

S B

2 4 1 0

(7)
Date Referred: April 20, 1994

HOUSE COMMITTEE REPORT
FURTHER REFERRALS:

Date of Committee Action: 4-28-94

The COMMUNITY AND REGIONAL AFFAIRS Committee considered: CSSB 240(RLS)

CS FOR SENATE BILL NO. 240(RLS) MUNICIPAL TAX CREDIT/STUDENT HOUSING

"An Act relating to an optional municipal tax exemption for student housing for the University of Alaska."

RECOMMENDATIONS:

be replaced with House CS for SS for Senate Bill (CRA) the same title
 a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact _____

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) U of A

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>W.K. William</i>	<input checked="" type="checkbox"/>	<i>Ed Willis</i>		<input checked="" type="checkbox"/>	
<i>Jellis Veen</i>	<input checked="" type="checkbox"/>	<i>John Davis</i>			<input checked="" type="checkbox"/>
<i>Jay Sander</i>	<input checked="" type="checkbox"/>	<i>Haley Olberg</i>		<input checked="" type="checkbox"/>	

Haley Olberg
CHAIRMAN'S SIGNATURE

Amendment to CSSB 240 (Rules)

Page 2, Line 7

following "property" insert:

which, based upon a written agreement with the University of Alaska, is used exclusively for official student housing for the University of Alaska; property may be exempted.....



SB 240 Municipal Tax Exemption for UA Student Housing Projects

This legislation amends AS. 29.45.050 to provide municipalities the option of passing a local ordinance that would provide a property tax exemption for the development of projects dedicated to student housing at campuses of the University of Alaska.

Current law mandates that student's rent reflect the cost of property tax if they occupy a non-university owned facility, even if the facility is entirely dedicated to university housing use. Current law also requires property taxation if the university owns the land or facility and leases it to the private sector for management and operation.

The University of Alaska is currently investigating proposals to privatize student housing projects and would like to work with local communities in enhancing the prospects for such an alternative by providing the incentive of a property tax exemption for the development of student housing projects.

The practice of privatizing student housing is a growing practice at colleges and universities around the country. Private firms that specialize in student housing have had considerable success in Texas, Louisiana, Oklahoma and Florida. According to a recent article in the Chronicle of Higher Education, at least 11 other states are currently in negotiation with private firms for similar ventures.

The private firms specializing in student housing have considerable experience with the management and operations of this type of facility, including experienced on-site program and facility managers. The projects are designed developed and managed in cooperation and coordination with the university community.

This legislation does not in any way bind the State of Alaska, nor is it mandatory at the local level. It provides an opportunity for the University of Alaska in conjunction with local communities and private industry, to pursue opportunities for the development of high-quality, low-cost student housing.

contact:

Wendy Redman
University Relations
463-3086/474-7582

Position Paper

No. 3

FISCAL NOTE

Bill Version: CSSB 240 (2nd FIN.)

(S) Publish Date: 4-14-94

STATE OF ALASKA
1994 LEGISLATIVE SESSION

Revision Date: 4/12/94
Title: optional municipal tax exemption
for UA housing
Sponsor: Pearce
Requestor: S Finance

Department Affected: University of Alaska
BRU:
Component: all

COMPONENT SERIAL NO.

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

REVENUE FD SOURCE						
-------------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)	FY95	FY96	FY97	FY98	FY99	FY00
1002 FEDERAL FUNDS						
1003 GF MATCH						
1004 GENERAL FUND						
1006 GF/MHTIA						
OTHER						
TOTAL FUNDING	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:	FY95	FY96	FY97	FY98	FY99	FY00
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

Changes in CSSB 240 (RLS) have no fiscal impact. This fiscal note is appropriate.

ANALYSIS: (Attach a separate page if necessary.)

4-19-94 date WCE Comptroller (initial)

Prepared by: Wendy Matheny, Budget Analyst
Division: Statewide Budget Office

Phone: 463-3086
Date: 4/12/84

Approved by: Alison Elgee, Director
Agency: Statewide Budget Office

Date: 4/12/84

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

S B

2 5 5

18th Alaska State Legislature
Community and Regional Affairs Committee

Committee Schedule for Week
WEEK OF APRIL 25 - APRIL 29, 1994
* (indicates first public hearing)

Room 124
Capitol Building

Tuesdays & Thursdays
1:00 P.M.

Monday, April 25, 1994 at 2:00 p.m.

CSSB 217 - Relating to Increase Land grant to Univ. of Alaska

Tuesday, April 26, 1994 at 1:00 p.m.

(pending referral)

SB 164 - Relating to municipal incorp, reclass, dissolution

SB 240 - Relating to Municipal Tax Credit/Student Housing

SSSCR 14 - Relating to Name Hatchery at Main Bay: H.Z. Hansen

CS FOR SENATE BILL NO. 255(STA)
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE STATE AFFAIRS COMMITTEE

Offered: 3/29/94
Referred: Rules

Sponsor(s): SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE BY REQUEST

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing a comprehensive policy relating to human resource
2 development in the state."

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

4 * Section 1. AS 44.99 is amended by adding a new section to article 2 to read:

5 Sec. 44.99.130. STATEMENT OF HUMAN RESOURCE DEVELOPMENT

6 POLICY FOR THE STATE. (a) State programs and activities in the fields of
7 economic development, education, vocational education, job training, and social service

8 shall be coordinated to further the state's primary goal of enabling the people of the
9 state to become part of a literate, skilled, and productive work force and business

10 community and to have an opportunity to earn a living. The Department of ^{SCRA} (AJTC)

11 Administration, the Department of Commerce and Economic Development, the

12 Department of Community and Regional Affairs, the Department of ^{SCRA} (AJTC)

13 Department of Education, the Department of Fish and Game, the Department of Health

14 and Social Services, the Department of Labor, the Department of Military and

1 Veterans' Affairs, and the University of Alaska shall plan, coordinate, and implement
2 their programs and activities to better achieve the state's primary goal.

3 (b) Public officials responsible for economic development programs and
4 systems in the state shall coordinate planning with public officials responsible for job
5 training and human resource development programs and systems concerning anticipated
6 economic development activities so that those programs and systems can prepare
7 clients for the forthcoming employment opportunities in a timely manner.

8 (c) Public officials responsible for education programs and systems, including
9 vocational education, shall structure those programs and systems to prepare students
10 to enter the work force and business community. To this end, the state's educational
11 system shall ensure that students develop competency in basic and technological skills
12 along with work force and business readiness values.

13 (d) Public officials responsible for the state's job training system shall
14 coordinate with business, industry, and labor in the state to anticipate and provide
15 appropriate training for existing and new employment and business opportunities.

16 Several
17 Changes
18 Offered by
19 AJT
20 Sen
21 Leman
22 SCRA
(e) Social service programs of the state shall encourage people who are
23 unemployed to make the transition from welfare to employment and self-sufficiency.
24 Public officials responsible for these programs shall coordinate the public assistance,
25 social services, and human resource development services available to a client.

26 (f) Public officials responsible for human resource programs shall coordinate
27 to minimize duplication of programs, increase sharing of resources, and make access
28 to information and services more convenient to the people of the state.

29 (g) To plan, monitor, and coordinate the programs, systems, and activities
30 identified in this section, the governor shall use the Alaska Job Training Council as the
31 recognized state job training coordinating council. The council shall submit a report
making recommendations on ways in which the state can enhance the coordination and
delivery of economic development and human resource development programs and
systems, education programs and systems, including vocational education, the job
training system, and social service programs to enable the people of the state to
become part of a literate, skilled, and productive work force and business community
and to have an opportunity to earn a living. The council shall submit the report every

1 other year to the governor and to the legislature, in years alternating with the
2 Governor's Coordination and Special Services Plan.

3 (h) The legislative auditor shall conduct a performance audit of the
4 implementation of the policy provided in this section during fiscal year 1998 and every
5 four years thereafter.

(7)
Date Referred: April 8, 1994

HOUSE COMMITTEE REPORT
FURTHER REFERRALS:

Date of Committee Action: 4-18-94

The COMMUNITY AND REGIONAL AFFAIRS Committee considered:

CSSB 255(STA)

CS FOR SENATE BILL NO. 255(STA)

STATE POLICY ON HUMAN RESOURCE DEVELOPMENT

"An Act establishing a comprehensive policy relating to human resource development in the state."

- RECOMMENDATIONS: the same title
 be replaced with _____ a new title
- have attached amendments(s)
 do pass
 do not pass
 no recommendations
 individual recommendations
 additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): _____ (Dept)

APPROVES PREVIOUS: _____ (Dept/Date)

fiscal impact _____

fiscal note(s) _____

zero fiscal note DEC, F+G, CORR, M+VA,

zero fiscal note(s) DEC, F+G, EDCR, MVA, HESS, Edg, U.A., L&NR, P+R-A

SIGNING <u>DO PASS</u>	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Jim Sander</i>	✓	<i>Car Blue & c</i>		✓	
<i>Bob Williams</i>	✓	<i>John E Davis</i>		✓	
<i>Bob Williams</i>	✓	<i>FWK Williams</i>		✓	
		<i>Harley Olberg</i>		✓	

Harley Olberg
CHAIRMAN'S SIGNATURE



Alaska State Legislature

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Senator Randy Phillips, Chair
Senator Robin Taylor, Vice Chair
Senator Loren Leman
Senator Al Adams
Senator Fred Zharoff

SESSION:
State Capitol
Juneau, Ak 99801-1182
(907) 465-4989

INTERIM:
P. O. Box 142
Eagle River, Ak 99577
(907) 694-4949

MEMORANDUM

TO: Representative Harley Olberg, Chairman
House Community & Regional Affairs Committee

FROM: Senator Randy Phillips, Chairman *REP*
Community and Regional Affairs Committee

DATE: April 14, 1994

SUBJECT: SB 255 - State Policy on Human Resource Development

The Senate Community and Regional Affairs Committee introduced SB 255 on behalf of the Alaska Joint Training Council.

This bill establishes a state policy on human resource development for state government agencies and requires public officials responsible for education and training programs to coordinate their programs.

The Alaska Joint Training Council has spent the last year drafting a meaningful policy and SB 255 is the result of their work. The AJTC hopes to achieve several goals:

- (1) Provide employers with a diversified, multi-skilled workforce.
- (2) Increased coordination of workforce development programs to maximize available resources.
- (3) Programs that assist economically disadvantaged youth, dislocated workers and the marginally employed to become self-supporting.
- (4) Assist students in the transition from school to work

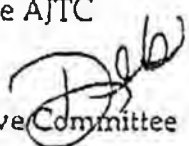
On behalf of the Alaska Job Training Council I urge your support for Senate Bill 255.

**WALTER J. HICKEL, GOVERNOR**

REPLY TO: Department of Community
and Regional Affairs
333 W. 4th Avenue
Suite 220
Anchorage, Alaska 99501-2341
Phone: (907) 269-4500
Fax: (907) 269-4520

ALASKA JOB TRAINING COUNCIL

MEMO TO: Members of the AJTC

FROM: Debra Call 
Chair, Executive Committee

DATE: January 18, 1994

SUBJECT: Policy for Human Resource Development

Everyone is aware by now that the Executive Committee of Council has been working for the past year on drafting a policy for human resource development in the state. The Committee met on January 15, 1994, to consider language contained in a working draft of proposed legislation. The attached copy of *Senate Community and Regional Affairs Committee Bill No. 255* entitled "An Act establishing a comprehensive policy relating to human resource development in the state" is that adopted by the Executive Committee at its meeting on January 15.

Background. As you will recall, at the last meeting of Council on November 18, 1993, a resolution was adopted which endorsed development of a human resource development policy and provided direction to the Chair to carry the issue to the Governor. Following recess of Council that first day, the Executive Committee met in worksession to decide upon strategy to move the issue forward given the direction by Council. At that worksession it was agreed that the policy would be moved along three tracks simultaneously. That is, the AJTC would take draft policy to the Governor (1) at the same time that the legislature considered a 'policy' bill (2) while the Council was then taking the policy to other public advisory bodies for support and endorsement (3). The consensus at the meeting was to proceed with this strategy. I then briefed the Council of the results of our committee work at the earliest opportunity, which was the morning of November 19.

Policy Drafted. Staff of DCRA and Legislative Legal Services began developing a policy statement in the form of draft legislation. The first working draft was presented to the Executive Committee for review and comment on January 15. Committee members spent nearly three hours reviewing the document, line by line. Comments were provided with directions for changes. The attached copy incorporates the language as passed by a majority vote of 3 to 1 (Chair abstaining).

Following discussion of specific language, the Committee then spent time discussing strategy to carry the policy to the Governor, Legislature and advisory groups, given the fact that legislative session was already underway. It was moved that due to severe time constraints in the required readings of legislation, the Committee vote to allow introduction of the bill in the Senate Community and Regional Affairs Committee on Tuesday, January 18, 1994, with the understanding that there may be changes resulting from the full Council review at this January 24, teleconference. The motion passed with no opposition (Chair abstained).

Members of the AJTC
January 13, 1994
Page Two

Council Review. In accordance with the terms of the Committee's motion, this legislation is being presented to the full Council for review and comment at next week's meeting. Please review the document carefully and come to the meeting prepared to discuss.

If you have questions regarding this bill please contact Bruce Geraghty in Juneau at 465-4700 or Tony Nakazawa in Anchorage at 269-4607. I hope to hear all members on line next Monday.

Goal #1: Provide employers with a diversified, multi-skilled workforce.

1. Objective: Participation by employers.
2. Objective: Develop private/public partnerships to train employees.
3. Objective: Encourage new and expanding businesses to hire job training participants.

Coordination Criteria:

- Job Training Plans of Private Industry Councils (PICs) must describe ways in which employers will be involved in the development of training programs.
- Create incentives to maximize participation by employers ie. monetary advantages, reduction in paperwork or simplification in program delivery.
- Market and promote programs to educate employers of benefits to participation.
- Analyze market information to determine employers' needs.
- Target training resources to occupations having high non-resident employees.
- Design training programs to meet the needs of employers.

4. Objective: Promote training and placement opportunities for women in 'nontraditional' employment.**Coordination Criteria:**

- Broaden employers' awareness of any mandated requirements for entry of women into 'nontraditional' employment.
- Provide technical assistance and a one-stop environment to employers to meet the established goals of the '92 job training reform amendments.

PRIORITY ACTION STEP: Maximize employer participation by having a meeting or meetings between employers and providers.

Goal #2: Increase coordination of workforce development programs to maximize service delivery from the available resources.

1. Objective: Remove barriers to collaboration.

Barriers to Collaboration:

- | | |
|--|--|
| °Lack of communication | °Political changes resulting in loss of jobs |
| °Differing performance standards | °Lack of overall state policy for human resource development |
| °Changing regulations and program requirements | °Knowing who to collaborate with, ie. AR DORS |
| °De-funding programs or changes in program funding | °Geographic separation and transportation costs |
| °Number of federal programs | °Number of agencies involved at the state and local levels |

Coordination Criteria :

(Ways to remove barriers to collaboration)

- Participate in the development of a statewide human resource investment policy.
- Institute an ongoing forum for communication among all relevant programs.
- Develop an electronic bulletin board (make use of current technology).
- Develop a resource directory for workforce development.

2. Objective: Provide Incentives.

Coordination Criteria :

- Develop economic and programmatic incentives (\$) for collaboration among programs. The collaboration would result in accomplishment of individual program goals.
- Develop performance standards to reward collaboration.
- Share resources and real information across programs to the extent permissible.

3. Objective: Integrate Services.

Coordination Criteria :

- Use technology to address integration issues linking regions, communities and the state as a whole.
- With the philosophy "Any Door is the Right Door", work toward 'one-stop shopping' permitting programs other than your own to do some basic client intake and assessment.
- Begin joint assessment and joint planning processes across programs.
- *Assess confidentiality requirements which impede collaboration among agencies and identify strategies to address them.*

4. Objective: Share evaluations of workforce development programs.

Coordination Criteria :

- Develop a central clearinghouse for data/jobs/program evaluations, etc.

PRIORITY ACTION STEP: Participate in the development of a statewide human resource investment policy.

Goal #3: Employment and training programs shall assist the economically disadvantaged, at-risk youth, dislocated worker and the marginally employed to become self-supporting.

1. Objective: Provide workforce development services to welfare recipients, particularly JOBS participants, in order to provide basic skills and training necessary for long term employability.

Coordination Criteria :

- Use 'case management' for clients while agencies work as a 'team' of resources.
- Basic education should be provided to persons determined to need additional education. Where possible, basic education should be concurrent or integrated with job specific skills training.
- Job skills training must be tailored to the abilities and interests of JOBS clients.
- Training programs must help trainees arrange for child care during training and in transition to the world of work.

2. Objective: Provide services to those people having multiple barriers to employment to enable them to become self-sufficient.

Coordination Criteria :

- Use 'case management' for clients while agencies work as a 'team' of resources.
- Develop and distribute a statewide resource and referral manual.

3. Objective: Provide opportunities for Alaska's older residents to return to work, placing particular emphasis on those who have additional barriers to employment.

Coordination Criteria :

- Use 'case management' for clients while agencies work as a 'team' of resources.
- Programs should promote the benefits of hiring older workers.
- Provide outreach and recruitment of older workers.

4. Objective: Identify and serve Alaskans with disabilities or other special needs.

Coordination Criteria :

- Use 'case management' for clients while agencies work as a 'team' of resources.
- Workforce development plans must demonstrate that service strategies to persons with disabilities are coordinated with the Division of Vocational Rehabilitation.

5. Objective: Assist students in the transition from school to work.

Coordination Criteria :

- Use 'case management' for clients while agencies work as a 'team' of resources.
- Maintain state based career information tools including AKCIS and the Alaska Career Guide.
- Promote Tech-Prep and the integration of academic and vocational education as included in ALASKA 2000.
- *Coordinate the state's School-to-Work Initiative with other work readiness initiatives such as Alaska-Youth Ready For Work, WISE, Tech Prep, etc.*

6. Objective: Meet the needs of dislocated workers through collaboration in the outreach and provision of training and placement services.

Coordination Criteria :

- Use 'case management' for clients while agencies work as a 'team' of resources.
- Enhance the cooperative provision of multiple agency "Rapid Response Teams" to mitigate the impact of business/industry lay-offs.
- Ensure that unemployment insurance claimants are informed about training under the State Training and Employment Program.

PRIORITY ACTION STEP: Produce and distribute a resource and referral manual.

JUN 10 04 WED 12:00
ST. HELENA DISTRICT COURT
THE DISTRICT COURT
11:00/11

Distribution List:

MEMBERS OF THE ALASKA JOB TRAINING COUNCIL:

Debra Call, Chair

Mr. James Caldarola	Ms. Jewel Jones
Mr. H. Leo Brown	Mr. Ralph L. Kihby
Mr. Percy Frisby	Mr. Bruce A. Kleven
Mr. Joseph R. Gabrielle	Ms. Judy Knight
Mr. Bruce R. Geraghty	Ms. Jo Ann C. McDowell
Ms. Sharon Guenther	Ms. Sarah H. Palin
Ms. Jan Hansen	Senator Randy Phillips
Ms. JoAnn B. Henderson	Mr. David Rees
Mr. Kay G. Hoch	Representative Jerry Sanders
Ms. Mary E. Shields	Ms. Julie A. Ward
	Mr. Mike Young

AJTC COMMITTEES

EXECUTIVE COMMITTEE

Debra Call
Percy Frisby
David Rees
James Caldarola
Ralph Kibby

PROGRAM COMPLIANCE

Kay Hoch
Julie Ward
James Caldarola
Judy Knight
Sarah H. Palin

COORDINATION

Jewel Jones
Jan Hansen
Bruce Kleven
Mary Shields
David Rees

AD HOC (to research different issues and offer support to other committees as needed)

Jo Ann Henderson
Percy Frisby
Rep. Jerry Sanders
Sen. Randy Phillips
Bruce Geraghty
Jo Ann C. McDowell
Ralph Kibby
H. Leo Brown
Joseph R. Gabrielle
Sharon Guenther

S B

2 9 4

Alaska State Legislature

Senate Majority Leader
Chair, Judiciary Committee
Vice Chair, Community &
Regional Affairs

Member, State Affairs Committee
Committee on Committees
Western States Legislative Forestry Task Force
Legislative Council



State Capitol
Juneau, Alaska 99801-1182
(907) 465-3873
Fax: (907) 465-3922

352 Front Street
Ketchikan, Alaska 99901
(907) 225-8088
Fax: (907) 225-0713

Senator Robin L. Taylor

Sponsor Statement

Senate Bill 294

I have introduced this legislation on behalf of the Petersburg Chamber of Commerce. The Petersburg Chamber of Commerce last year initiated a "Canned Salmon Lottery" contest to promote Petersburg and the seafood industry. The object of the lottery is to come closest to guessing the number of cases of canned salmon packed annually in Petersburg.

Due to the regulatory 50 cent per ticket price limitation the chamber was unable to raise sufficient funds to make the program self sustaining. The chamber of commerce thought the small ticket fee hindered ticket sales and increased the overall operating cost of the program. They would like to raise the cost to 2 dollars per ticket. To do this, legislation is needed to allow them to go forward.

They intend to use funds from the program for chamber operations. And with the anticipated additional income, the program will be used to fund a college scholarship for Petersburg High School graduates.

The Alaska Trollers Association has endorsed this legislation. Communities around southeast Alaska have endorsed the concept and in many instances have agreed to allow ticket sales in their towns.

District A:

Hyder • Ketchikan • Kupreanof • Meyers Chuck • Petersburg • Saxman • Sitka • Wrangell

... prize
... person or persons who may have gone bingo on the completed call.

(5) Deleted 6/3/90.

(6) A single prize awarded in bingo may not exceed \$1,000 and the total prizes awarded during any one bingo session may not exceed \$5,000. Prize amounts shall be stated before the beginning of each game and prizes shall be awarded as stated. Game tickets may not be considered as, nor included in, a cash prize. For example, if a person wins a \$45 jackpot, that person must receive and sign for \$45 in cash. The prize may not be divided into \$30 cash and \$15 in game tickets.

(7) No merchandise prize awarded in any bingo game may be converted into cash by the permittee organization.

(8) Repealed 10/1/88.

(9) When any merchandise is awarded in a bingo game, its value, for the purpose of the law governing bingo, shall be its current value or retail price.

(10) Equipment, prizes and supplies for bingo shall not be purchased or sold at prices in excess of the current value or retail price.

(11) Rental and/or lease fees of bingo equipment and premises shall be reasonable.

(12) Alcoholic beverages: No game of bingo shall be held, operated or conducted under any permit, in any room, enclosure or outdoor area where alcoholic beverages are sold, served or consumed during the progress of the bingo game. (Eff. 9/7/60, Register 2; am 11/6/76, Register 60; am 10/1/88, Register 107; em am 12/23/88 — 2/15/89, Register 109; am 6/3/90, Register 114)

Authority: AS 05.15.060

Editor's notes. — Under the authority of AS 44.62.125(b)(6) and AS 15 AAC 105.110(5), which has been superseded by provisions in 12 AAC 34.

15 AAC 105.120. RAFFLES AND LOTTERIES. (a) In a special-draw raffle, the winner is determined by means other than drawing from a container. A charge for a single opportunity to participate in a special-draw raffle may not exceed 50 cents.

(b) All raffle or lottery tickets and stubs shall be serially numbered consecutively, and the permit number as shown on the permit issued by the commissioner of revenue shall be imprinted on each ticket and stub. All raffle and lottery tickets sold on behalf of a qualified organization by a licensed operator must be imprinted with both the license number issued to the operator or the permit number issued to the qualified organization.

(c) Any and all tickets issued in any raffle or lottery must be accounted for to the permittee organization at the conclusion of each

12/31/82, Register 04, am 2/20/87, Register 107; am 1/21/89, Register 109)

Authority: AS 05.15.060

AS 05.15.130

AS 05.15.210

15 AAC 105.125. PULL-TAB GAMES. (a) A "pull-tab" is a paper device or card that

(1) is purchased by the participant in a "pull-tab game" as defined in AS 05.15.210(27); or

(2) confers an additional right to the purchaser to participate in a lottery for additional prizes.

(b) The charge for a pull-tab may not exceed \$2.

(c) No permittee may sell a pull-tab that was in any manner marked, defaced, tampered with, or otherwise placed in a condition that would deceive the public or that affects the chances of winning or losing.

(d) Pull-tab prizes equal to or in excess of \$50 shall be paid in cash or check only, not with additional pull-tabs, raffle or lottery tickets, bingo cards, or with any similar gaming material. All pull-tab prizes equal to or in excess of \$50 and the names of the corresponding winners shall be recorded on a form approved by the department at the time they are paid. Notwithstanding 15 AAC 105.240, the awarding of pull-tab prizes of less than \$50 need not be contingent upon the recipient executing a receipt for the prize if pull-tabs are accounted for as provided in (i) of this section.

(e) A player must be at least 19 years of age to participate in pull-tab games.

(f) A pull-tab game conducted under a particular permit may not be switched to or mixed with a pull-tab game conducted under another permit.

(g) Mechanical or electronic devices may not be used to dispense or sell pull-tabs or select the symbols or numbers used to determine the winners of a pull-tab game.

(h) Except as provided in (d) of this section, a winning pull-tab may be traded for other pull-tabs, but must be accounted for in the same manner as a cash sale when preparing financial reports required by the department.

(i) Instead of accounting for individual pull-tab sales and payment of winnings, permittees or operators may account for pull-tab activities by each series, using the "ideal gross" as gross receipts, and prizes specified by the pull-tab manufacturer as the amount of prizes awarded on reports required by the department. "Ideal gross" is the total amount of receipts that would be received if every individual pull-tab ticket in the series was sold at face value. (Eff. 10/1/88, Register 107; am 10/1/88, Register 108; am 1/21/89, Register 109)



FEB 17 REC'D

Petersburg Chamber of Commerce

P.O. Box 649

Petersburg, Alaska 99833

(907) 772-3646

February 10, 1994

Sen. Robin L. Taylor
Room 601, court
State Capital
Juneau, AK 99801-1182

Dear Senator Taylor:

Last year the Petersburg Chamber of Commerce introduced the first annual "*Canned Salmon Classic*". This special event allows individuals a chance to win cash prizes by purchasing tickets to guess what the actual canned salmon pack of the two Petersburg canneries would be. The person with the closest guess wins the grand prize and the next closest taking the second prize. There are winners every time.

We were fortunate to have Alaska Marine Lines, as our major sponsor in 1993. We also received additional support from Willamett Industries, Inc. and Icicle Seafoods, Inc. The generous contributions made by each of these firms greatly enhanced our program.

The main purpose of having the "*Canned Salmon Classic*" was to promote our community of Petersburg and to attract more attention to seafood since the seafood industry is a vital part of our local economy. At the same time the Chamber thought it would be great if we could also provide some scholarship money to graduating high school seniors as part of this event.

The "*Canned Salmon Classic*" was received with great enthusiasm and we are excited about the upcoming year.

One of the changes we would like to make for this year is to raise the ticket price from the current 50¢ to \$2.00. We felt the lower ticket price hindered sales and increased our overall operating cost.

Also, this year we plan to expand the "*Canned Salmon Classic*" to all the major communities in Southeast Alaska. All ten of the communities we

Page 2

Canned Salmon Classic

have applied to have overwhelmingly given us their approval to participate in this event.

Our plan this year is to recruit youth groups to sell the tickets and in return they would receive a commission. This will provide these groups with another source to raise funds for their community programs.

One of the best events of the "*Canned Salmon Classic*" is the "*Seafood Fest*" in October when we announce the winners. This grand finale was held at the Sons of Norway hall in Petersburg. We decorated the hall in a seafood theme and had many booths that local merchants and residents used to give the public a tasty sample of their seafood products at very reasonable prices. We also had live music, kids games, door prizes and seafood recipes donated by ASMI were handed out.

We had over 300 people come to the "*Seafood Fest*" and we expect 700 to attend this year.

All of us here at the Petersburg Chamber of Commerce are very excited about the "*Canned Salmon Classic*" this year, as we know it will be even bigger and better.

Thank you for your assistance on this event and I hope you and your friends get a chance to join in on the fun.

Sincerely yours,



Patrick S. Wilson
Chairman

Enclosures

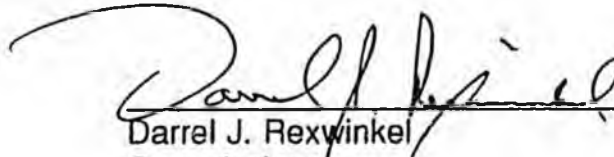
**Department of Revenue
Position Paper**

SB-294 "An Act relating to canned salmon classics; and providing for an effective date."

SB-294 would expand the types of charitable gaming activities permitted under Alaska Statute 05.15 to include a canned salmon classic conducted by the Petersburg Chamber of Commerce. This canned salmon classic would allow for individuals to purchase an opportunity to guess how many cans of salmon will be canned in Petersburg during the summer fishing season. The person with the closest guess would win a prize.

The department believes that this legislation, in its current form, would have minimal impact on the administration of charitable gaming in Alaska.

3/4/94
Date


Darrel J. Rexwinkel
Commissioner

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. SB 294

Revision Date: _____ Dept. Affected: Revenue
 Title: "An Act relating to canned salmon classic; and providing for an BRU: Revenue Operations
effective date." Component: Charitable Gaming Division
 Sponsor: Senator Taylor
 Requestor: Senate Community and Regional Affairs COMPONENT SERIAL NO. 1883

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

REVENUE FUND SOURCE:						
-----------------------------	--	--	--	--	--	--

FUNDING:

(Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: \$ 0.0

ANALYSIS: (Attach a separate page if necessary.)
 None

Prepared by: Don Stolworthy, Director
 Division: Charitable Gaming Division
 Approved by Commissioner: Darrel J. Rexwinkel
 Agency: Department of Revenue

Phone: 465-2279
 Date: February 15, 1994
 Date: February 15, 1994

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
 For further distribution information call the Governor's Legislative Office

PETERSBURG

Canning History:

Since the first cannery was built in 1900 and packed 32,750 cases of salmon, Petersburg has been a part of the Alaska fishing industry. For as long as there have been cannery workers and fishermen, wagers have been made on the number of cans that could be packed at each cannery in Alaska. Since the canned salmon pack was directly related to the numbers of fish harvested, fishermen, cannery workers and processor management had an equal chance at winning the prized pool of money at the end of the season.

The Petersburg Chamber of Commerce has opened the contest to everyone, with the introduction of the Petersburg Canned Salmon Classic.

S.E. Pink Salmon Harvest

(in millions of fish)

1988.....	11.2
1989.....	59.0
1990.....	31.2
1991.....	61.5
1992.....	38.0
1993.....	50.0 to 60.0 Est.

Petersburg Canned Salmon Pack

(in 1# can size equivalents)

1988.....	7,781,304
1989.....	34,889,425
1990.....	22,724,065
1991.....	29,018,545
1992.....	27,096,887

IT'S EASY TO ENTER:

(1) Buy Tickets from any of these outlets for 50¢ each:

The Trading Union, Inc.	Pellerito's Pizzeria
Hammer & Wikan, Inc.	Beachcomber Inn
Moose Lodge	Tides Inn
Harbor Bar	Scandia House
Chamber of Commerce	Kito's Kave
Petersburg Fisheries	The Quart House
The Bottle Shop	S.O.S. Value Mart (Kake)

(2) Fill in your guess of what the canned salmon pack (in 1# can equivalents) will be at the conclusion of the canning season in 1993. Please print clearly. Also, fill in name, phone and address on lower part of ticket. Please read all rules on ticket.

(3) Tear off short stub and deposit the portion of the ticket with your guess into cans with the Petersburg Canned Salmon Classic Labels, at the Chamber office or at various locations in Petersburg, Kake and Wrangell. Record your guesses on the back of this flyer.

(4) Winning entry will be announced on November 1, 1993 after the close of the Petersburg canning season. The winning ticket holder has to claim the prize money by Dec. 31st, 1993 or the winnings return to the PCSC. Last day to purchase tickets: August 21, 1993.

1st Prize: \$2500 Cash
Next Closest Guess: \$500 Cash

HOW BIG IS THE CAN?

Although canneries may pack salmon in several sizes of cans, including custom packed product, all figures used to determine the total salmon pack for Petersburg are converted to one pound can equivalents. Canneries providing can pack information to the PCSC committee are: Petersburg Fisheries, Chatham Strait Seafoods and Nelbro Packing Company. Certified pack figures submitted to the PCSC committee are used to compute the final canning figures for Petersburg's Canned Salmon Classic.

THANK YOU

The PCSC committee thanks the staff and management of Iccle Seafoods Inc., Chatham Strait Seafoods and Nelbro Packing Co. for helping make the Petersburg Canned Salmon Classic possible.

Thanks to our sponsors:



Willamette Enterprises

Proceeds will be used in part to fund a \$1000
AML/Petersburg Chamber of Commerce
Scholarship

RULES

PCSC is not responsible for misdirected, lost, late or delayed entries.

PCSC will attempt to contact the winner at ticket address. If the winner fails to respond by 12/31/93, the winnings return to the PCSC.

HOUSE COMMITTEE REPORT

(7)

Date Referred: March 18, 1994

FURTHER REFERRALS:

Date of Committee Action: 3/29/94

The COMMUNITY AND REGIONAL AFFAIRS Committee considered:

SB 294

SENATE BILL NO. 294

PETERSBURG CANNED SALMON CLASSIC

"An Act relating to canned salmon classics; and providing for an effective date."

RECOMMENDATIONS:

be replaced with _____ the same title
 a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): _____ (Dept)

APPROVES PREVIOUS: _____ (Dept/Date)

fiscal impact _____

fiscal note(s) 2/15/94 Revenue

zero fiscal note _____

zero fiscal note(s) _____

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Harley Olberg</i>	✓				
<i>Jim Sanders</i>	✓				
<i>Bob N. Davis</i>	✓				
<i>Ed LaRocca</i>	X				
<i>Bill Williams</i>	✓				
<i>Don Brewer</i>	✓				

Harley Olberg
 CHAIRMAN'S SIGNATURE

S B

3 30

HOUSE COMMITTEE REPORT

(7) Date Referred: March 21, 1994 FURTHER REFERRALS: Finance

Date of Committee Action: 3/29/94

The COMMUNITY AND REGIONAL AFFAIRS Committee considered: CSSB 330(RLE)

CS FOR SENATE BILL NO. 330(RLS) WATER QUALITY FUNDS AND GRANTS
 "An Act relating to water quality enhancement, water supply, wastewater, and solid waste grants; the Alaska clean water fund; the establishment of the Alaska clean water account, the Alaska drinking water fund, and the Alaska drinking water account; and providing for an effective date."

- RECOMMENDATIONS: the same title
 be replaced with _____ a new title
 have attached amendments(s)
 do pass
 do not pass
 no recommendations
 individual recommendations
 additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

- ATTACHES NEW FISCAL NOTE(s): (Dept) APPROVES PREVIOUS: (Dept/Date)
 fiscal impact _____ fiscal note(s) _____
 zero fiscal note _____ zero fiscal note(s) DEC 2/15/94

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Haley Olberg</i>	✓	<i>John Soderup</i>		✓	
		<i>Carl Bleser</i>		✓	
		<i>John A. Cook</i>		✓	
		<i>Phillip</i>		✓	
		<i>W. Williams</i>		✓	

Haley Olberg
 CHAIRMAN'S SIGNATURE

DIVISION OF LEGAL SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

February 18, 1994

SUBJECT: Sectional Summary of SB 330; An Act relating to water quality enhancement, water supply, wastewater, and solid waste grants; the Alaska clean water fund; the establishment of the Alaska clean water account, the Alaska drinking water fund, and the Alaska drinking water account; and providing for an effective date. (Work Order No. 8-LS1739\E)

TO: Senator Rick Halford

FROM: George Utermohle *GU*
Legislative Counsel

You have requested a sectional summary of SB 330; An Act relating to water quality enhancement, water supply, wastewater, and solid waste grants; the Alaska clean water fund; the establishment of the Alaska clean water account, the Alaska drinking water fund, and the Alaska drinking water account; and providing for an effective date.

A sectional summary of a bill is not an authoritative interpretation of the bill. The bill itself is the best statement of its contents.

Section 1 of the bill repeals and reenacts AS 46.03.030(b) to set out the purposes for which grants may be made to municipalities: a water quality enhancement project; a public water supply, treatment, or distribution system; a wastewater collection, treatment, or discharge system; or a solid waste processing, disposal, or resource recovery system.

Section 2 of the bill makes technical amendments to AS 46.03.030(c).

Section 3 of the bill amends AS 46.03.030(d) to change the definition of eligible costs of projects that can be funded by grants under AS 46.03.030.

Section 4 of the bill repeals and reenacts AS 46.03.030(e) to set out that portion of the eligible costs of a project that may be funded by grants under AS 46.03.030.

Section 5 of the bill adds new subsections to AS 46.03.030 specifying what types of funds may be used to match grants under AS 46.03.030 and requiring that the Department of Environmental Conservation must approve project plans and specifications before construction of the project may begin.

Section 6 of the bill amends AS 46.03.032(d) to change the purposes for which the Alaska clean water fund may be used.

Sections 7, 8, and 9 of the bill make minor technical changes to AS 46.03.032(f), (g), and (l), respectively.

Section 10 of the bill amends AS 46.03.032(m) to require that annual repayments of principal on loans from the Alaska clean water fund must commence within one year after completion of the project for which the loan is made.

Section 11 of the bill adds a new section to AS 46.03 to create the Alaska clean water account as a separate account in the state treasury. The account may be used for the same purposes as the Alaska clean water fund. Repayments of principal on loans from the account shall be deposited in the Alaska clean water fund. Interest payments on loans made from the account are dedicated back to the account.

Section 12 of the bill adds a new section to AS 46.03 to create the Alaska drinking water fund as a separate fund in the state treasury. The Department of Environmental Conservation may adopt regulations to ensure that it administers the fund in a manner consistent with federal law.

Section 13 of the bill adds a new section to AS 46.03 to create the Alaska drinking water account as a separate account in the state treasury. The account may be used for the same purposes as the Alaska drinking water fund. Repayments of principal on loans from the account shall be deposited in the Alaska drinking water fund. Interest payments on loans made from the account are dedicated back to the account.

Section 14 of the bill repeals AS 46.03.030(f) and 46.03.032(n).

Section 15 of the bill allows the Department of Environmental Conservation to retain certain regulations relating to water quality enhancement, water supply, wastewater, and solid waste system grants, the Alaska clean water fund, or the Alaska clean water account until the effective date of regulations adopted by the department to implement changes made by this Act.

Section 16 of the bill provides that, except for secs. 12 and 13, the bill takes effect July 1, 1994.

Senator Rick Halford
February 18, 1994
Page 3

Section 17 of the bill provides that secs. 12 and 13, relating to the Alaska drinking water fund and the Alaska drinking water account, take effect on the effective date of a federal law allowing the state to participate in federal capitalization grants to finance projects related to drinking water.

GU:pi
94-129.plm

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. SB 330

Revision Date: _____
 Title: Water Quality Funds and Grants
 Sponsor: Senator Halford
 Requestor: Senator Phillips

Department Affected: Environmental Conservation
 BRU: Facility, Construction, and Operation
 Component: Facility, Construction, and Operation

COMPONENT SERIAL NO. 637

Expenditures/Revenues:	(Thousands of Dollars)					
	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
OPERATING EXPENDITURES						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE						
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY94) cost: \$ _____

POSITIONS:						
FULL-TIME						
PART-TIME						
TEMPORARY	0.0	0.0	0.0	0.0	0.0	0.0

ANALYSIS: (Attach a separate page if necessary.)

No overall fiscal impacts are anticipated. No new positions will be created. As a result of the Drinking Water Loan Fund portion of the bill, the funding sources for existing personnel will be shifted to the revolving loan fund from a federal grant program, which is being discontinued.

Prepared by: Bob Poe, Director
 Division: Information and Administrative Services

Phone: 465-5010
 Date: 2/15/94

Approved by Commissioner: Asa Q. Sander
 Agency: Department of Environmental Conservation

Date: 2/15/94

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
 For further distribution information, call the Governor's Legislative Office

DEPT. OF ENVIRONMENTAL CONSERVATION

**Department Position Paper
SB 330**

" An Act relating to water quality enhancement, water supply, wastewater, and solid waste grants; the Alaska clean water fund; the establishment of the Alaska clean water account, the Alaska drinking water fund, and the Alaska drinking water account; and providing for an effective date."

Legislative Intent:


SB 330 would amend the statutes governing two funding programs administered by the Department of Environmental Conservation: Municipal Matching Grants and the Alaska Clean Water Fund. The intent of the bill is to: (1) improve existing funding alternatives available to incorporated communities; (2) provide a more equitable method for assisting mid-sized communities with populations ranging from 1,000 to 5,000; (3) expand loan eligibility similar to the Alaska Clean Water Fund to include drinking water projects; (4) enable Alaska to take advantage of federal capitalization grants to the drinking water loan program; and (5) clarify confusing and redundant language contained in the programs' existing statutes (AS 46.03.030 and AS 46.03.032).

Bill/Program Effects:

SB 330 would allow the Department of Environmental Conservation to better assist incorporated communities in financing the planning, design, and construction of water, sewerage, and solid waste systems. Financing programs are available to meet the needs of the State's larger urban communities and smaller unincorporated rural communities. However, incorporated "mid-sized" communities with population bases of 1,000 to 5,000 are not eligible to participate in the Village Safe Water program yet do not have the financial resources to pay one-half of a project's cost as currently required under the Municipal Matching Grants program. By increasing the percent of project costs eligible for grant funding to more closely parallel those allowed under AS 37.06, these communities will be better able to finance the sanitation needs of their residents. SB 330 would also position the State to take advantage of a proposed federal capitalization program by establishing a Drinking water revolving loan fund. Congress is expected to pass authorization language for the program this session. This program would provide communities with a predictable, perpetual and, eventually, self-sustaining financial resource for water supply projects.

The Alaska Department of Environmental Conservation strongly supports SB 330 in its entirety.

This legislation would have a zero fiscal impact on the State's Operating Budget.



Keith Kelton, Director
Division of Facility Construction
and Operation

2-17-94
Date

CITY of HOONAH

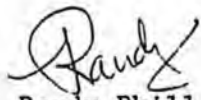
P.O. Box 360
Hoonah, Alaska 99829
(907) 945-3663
FAX (907) 945-3445

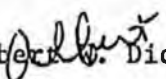
RECEIVED

FEB 28 1994

And.....

February 23, 1994


TO: Senator Randy Phillips, Chairman
Senate Community & Regional Affairs Committee

FROM:  Albert W. Dick
Mayor

SUBJECT: SB 330 - An act relating to water quality enhancement, water supply, wastewater, and solid waste grants; the Alaska clean water fund; the establishment of the Alaska clean water account, the Alaska drinking water fund, and the Alaska drinking water; and providing for an effective date.

The City of Hoonah strongly supports SB 330 in its entirety.

The City of Hoonah has been operating at 97% water treatment capacity for some time and is desperately in need of a new water treatment system which will allow it to treat a larger capacity of water, meet DEC/EPA regulations pertaining to the treatment of water and provide for future expansion of the City. This is more important as the U. S. Forest Service expands its office and housing base in the community. It is getting more difficult for us to stay in compliance during peak periods when the Hoonah Cold storage is running.

This system was originally installed by Indian Health Service some time ago. They have indicated that they would help us but anyway they can to get a new system on line. The City like most small communities does not have the funds to install this system, would be able to handle 15% of the cost. That is why we are requesting support of this bill especially as it pertains to Sec. 4. AS46.03.030(e)(2)(A) 85 percent of the eligible costs for a municipality with a population of 1,000 persons or less; and Sec. 5 AS46.03.030(g) the match required under this section may include (1) federal funds; or (2) state funds, other than those funds received under this section.

AWD:rgp

cc: Mackie, Zharoff, Halford