SR

1

2-19-85
Times

Dixie Welch Brown heads the University of Alaska Foundation, seeking endowments and support in any form for the statewide university system

University gifts promote excellence

by Ann Chandonnet
Times Writer

Not every corporation director deals with mummified bison, prize bulls, and boxes of jewels.

But that's just part of the pleasure that Dixie Welch Brown of Fairbanks has with her job.

Brown is executive director of the University of Alaska Foundation, an organization which trustee Brian Brundin has called "a successful partner in the university's search for excellence."

Recent donations to the nonprofit organization have included computer equipment, real estate, two prize Fairbanks bulls, and a box of jewels. The 11,000-year-old mummified bison "fell out of a mining site," says Brown, who notes that "establishing fair market value was fun."

With a smile, Brown notes that "we like cash; we never turn it down, but there are all those other things that people may not think about (giving)."

Young, energetic, attractive, Brown hardly fits the traditional stodgy image of an educational fund-raiser. She herself likes a mix of people on the foundation's board, a mix that represents a true crosssection of Alaska.

"Some are very traditional Alaskan pioneer types, others are people like Paul Meyerhof, who is young, a UAA graduate from the MBA program. There is a very wide range of interests and ages," Brown notes.

The 213 trustees serve three-year terms, as the executive board of the college; they make all the decisions in the financial policy, the basic decisions about which projects to be undertaken. Some of the current members are president Paul Gavora of Fairbanks, Richard Reeve of Anchorage and Byron Mallott of Juneau.

Established in 1974, the foundation is incorporated separately from the University of Alaska as a non-profit, educational, public, charitable organization. Its purposes are to raise private sector funds from individuals and corporations for the benefit of the entire University of Alaska system.

Brown's is no 9-to-5 job. Working breakfasts, receptions, cocktail parties and business meetings keep her on the go, often from 7 a.m. to 9 p.m. From her Fairbanks headquarters, she frequently travels to other cities both within and outside Alaska.

"The president of the University may send me off to represent him at a meeting he is unable to attend, and we have functions in Anchorage, Juneau, Seattle, California, Nevada. What we try to do is not replace state appropriated funds, which are a legislative responsibility, but to provide funds that will create an aura of excellence."

This aura might take the form of a chair in banking or journalism, a poet laureate, special speakers who come to Alaska and lecture at as many campuses as possible.

Brown took over the post of president in 1979, recognizing that "what we really needed was a reorientation in terms of the type of people we had on the board. We needed young alums on the board, and geographic diversity. I wanted people to begin to understand more clearly the purposes of the foundation — to create an atmosphere in which to create and grow; to respond better to the state of Alaska and its communities."

Currently the board is involved in a couple of major projects. One is the university museum endowment project. Brown explains, "The museum in Fairbanks is really a statewide museum with research that covers everything from paleontology to botany." The board is trying to raise a million dollars for the museum endowment, to provide more public lectures and enhance exhibits, as well as to fund more traveling exhibits.

In addition, donations to the endowment help fund research in the earth sciences, school tours, senior citizens' and children's programs, archaeological digs, and other programs at the museum, which hosts 100,000 visitors each year.

The fund's principal will be invested and saved for the museum's future; only the interest income will be spent. All cash and other donations are 100 percent tax deductible, and arrangements can be made for deferred or split gifts, or multi-year pledges.

"People are able to set aside not only liquid assets but also real estate; any kind of property can be used in an endowment. We guarantee an income for life or a term of years to that individual, based on the amount and assessed value. It's a good mechanism for people to make donations to any charitable organization," says Brown.

The board's other major project is The Alaska Research Development project, which is anticipating and outlining future needs of the university. Dr. Dael Wolfle, Lyle Perrigo and a team of consultants are conducting this work, which should be completed in early 1986.

See Foundation, page D-4

Foundation director gathers donations for university's extras

Continued from page D-1

"It isn't ivy covered halls on the hill any more; we must deal with the society as a whole," Brown says with fervor. "With this project we are not just staying with needs within the university system, but expanding to needs around the state."

Brown grew up in Washington state, and came to Alaska in 1974, working for the university museum as a research assistant in archeology. She worked with the TransAlaska Pipeline, doing the archeological survey work along the construction route. Then she became director for the Office of Regents Affairs for three years.

Brown's training is in anthropology, particularly in how cultures interact; this hierarchy she views as a correlative to how the University operates.

"There are a lot of organizations in Alaska which are founding foundations, and I have been asked on a variety of occasions to give a workshop on how to form a public foundation. It's becoming bigger and bigger business, particulary as state revenues dry up. It's certainly a trend across the country. There is now a degree program at Vanderbilt for people in this field, so we have now been sanctioned," she smiles.

The University of Alaska Foundation board of trustees officially meets twice a year, but members get together much more frequently. "A visit with foundation members and fellows whenever I'm in Anchorage, which is at least twice a month," said Brown on a recent trip. The board is subdivided into project commities, which meet frequently, although trustees are neither paid nor reimbursed for travel.

The foundation has current assets of nearly $7 million, which means that Brown must pay "close attention" to tax law, because she is advising contributors on their estates.

For more information on the University of Alaska Foundation or its endowment programs, write 590 University Ave., Suite 101, Fairbanks, 99701, or call 474-7687.

S. Murkowski Report to Alaskans 3/1985

President names three Alaskans to panel

Appointed to the Arctic Research Commission were:

– James H. Zumberge, President of the University of Southern California, who will serve as chairman of the commission;

– Juan Gualterio Roederer, Director of the Geophysical Institute and Professor of Physics at the University of Alaska, who will serve as vice-chairman;

– Oliver Leavitt, a Barrow resident who is vice-president of the Arctic Slope Regional Corporation, and a board member of the Alaska Federation of Natives;

– Elmer Rasmuson, former Mayor of Anchorage who now serves as chairman of the Executive Committee of the National Bank of Alaska;

– Albert Lincoln Washburn, a leading arctic scientist and former chairman of the Polar Research Board.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

LEGISLATIVE REFERENCE LIBRARY

May, 1986

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS date base CM 14. In order to save space copies of minutes have not been left in the files.

Jeanie Henry

SENATE RESOURCES COMMITTEE, 3/11/85, 1:40

Offered: 3/13/85
Referred: Rules

Original sponsors: Boucher, Ringstad, Gruenberg, et al

IN THE HOUSE

BY THE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

CS FOR HOUSE CONCURRENT RESOLUTION NO. 11 (HESS)

IN THE LEGISLATURE OF THE STATE OF ALASKA

FOURTEENTH LEGISLATURE - FIRST SESSION

Relating to the University of Alaska Foundation.

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

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

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

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

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

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

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

added

funding for this research.

Everyone present is a co-sponsor

Introduced: 2/26/85
Referred: Resources

BY STURGULEWSKI, BENNETT, JOSEPHSON, ZIEGLER, FERGUSON, COGHILL, V.FISCHER, FAHRENKAMP, HALFORD AND RODEY

IN THE SENATE

SENATE RESOLUTION NO. 1

IN THE LEGISLATURE OF THE STATE OF ALASKA

FOURTEENTH LEGISLATURE - FIRST SESSION

Relating to the University of Alaska Foundation.

BE IT RESOLVED BY THE SENATE:

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

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

BE IT RESOLVED that the Senate commends and encourages the University of Alaska Foundation in its endeavors to forecast research needs, find and fill gaps in the current research effort, and to seek support for research requiring long-term and stable funding.

Senator Sturgulewski's Office
March 11, 1985

University of Alaska Foundation

Alaska Research Development Project

The University of Alaska Foundation is attempting to identify research needs for Alaska. Over 360 Alaskans have each invested $1000 in a statement of research needs which is to be published this spring.

Research about Alaska is important to:

1. ensure the well-being of Alaska's citizens;

2. preserve Alaska's diverse cultures and renowned scenic environment;

3. make certain the economic health of Alaska;

4. promise a reasonable future for coming generations of Alaskans.

Examples of preliminary findings of the Project illustrate the need for further work:

1. Norwegian fresh salmon costs less and is more uniform in quality than Alaska salmon. The science, technology and economics of the fish farming operations which produce those salmon should be explored here in Alaska.

2. Biotechnology research offers the possibility of cold resistant plant varieties, low-temperature sewage digestion processes, and cost-effective fishery waste treatment techniques.

3. There is a need for investigation of true costs of recent advances in energy savings for buildings and facilities. Preliminary information suggests that these savings may be accompanied by reduced materials life and increased maintenance costs.

4. Alaska and other places in the North experience higher than normal incidences of alcoholism, interpersonal violence and stress. Reasons for and methods of lessening these incidences need to be developed.

Office of Development
Director

(907) 474-7687
sydevoff

MAR 1 1985

University of Alaska
Statewide System of Higher Education
590 University Avenue
Suite 101
Fairbanks, Alaska 99701

M Prewitte

February 28, 1985

Senator Arliss Sturgulewski
Pouch V
Mail Stop 3100
Juneau, AK 99811

Dear Senator Sturgulewski:

Per your request, enclosed is a position paper on the Alaska Research Development Project. If you should have further questions or need additional assistance, please call me.

Thank you.

Sincerely,

Dixie Welch Brown
Executive Director

DWB/bjg
enclosure

Position Paper

on

The Alaska Research Development Project

University of Alaska Foundation

The project mission is to identify the research needed to ensure: 1) the well-being of the State's inhabitants, 2) the preservation of its diverse cultures and a renown scenic environment, 3) the economic vitality of the State and 4) the promise of a reasonable future for coming generations of Alaskans. Support for this work came exclusively from the private sector. Over 360 Alaskans each invested $1000 in the effort that will soon result in the publication of a statement of research needs.

Forecasting Alaska's research needs, identifying gaps in on-going or completed investigations and finding a broader base of support for applied and basic work is important because:

- Research is one of a very limited number of ways of acquiring new knowledge about Alaska.
- Looking ahead rather than reacting to situations provides for a more coherent and less costly way of developing and using resources, preserving and caring for the environment and our diverse heritage, providing for the health and welfare of our inhabitants and increasing our knowledge and understanding of the State in which we live.

- Equipment designed for temperate zone use is often force fitted into Alaska. The consequences generally are increased costs and less reliability. What is needed is equipment designed for conditions in Alaska.
- Starting, stopping, restarting, etc. needed research programs (which is characteristic of many research endeavors) adds substantially to costs, increases the time to rearch reasonable solutions to problems and is disruptive to professional careers.

A few of the findings of the Project are given below as illustrative of conditions in Alaska and the need for further work:

- Norwegian fresh salmon is served regularly in many Alaska restaurants because it costs less and its quality is more uniform than its Alaskan counterpart. These fresh salmon come from fish farming operations suggesting that the science, technology and economics of using similar techniques should be thoroughly explored here.
- Alaska is one of just two states in the nation without biotechnology research programs. Research of this type offers the possibilities of achieving: 1) cold resistant plant varieties quicker than by normal horticultural techniques, 2) low-temperature sewage digestion processes that may work for much longer periods every year

and 3) cost-effective and energy-efficient fishery waste treatment techniques.

- Recent advances led to substantial energy savings in buildings and facilities. Preliminary information suggests that these achievements may be accompanied by reduced service life of materials and increased maintenance costs.
- Alaska and most other places in the North experience high incidences of alcoholism, interpersonal violence and stress. The reasons for such variations from the norm are not fully understood and realistic methods of lessening these effects are not yet developed.

The above list gives examples only and should not be considered as research priorities. The findings of the Project will appear in a document in about two months.

2-27-85

Dixie Welch Brown

474-7687

Introduced: 2/26/85
Referred: Resources

BY STURGULEWSKI, BENNETT, JOSEPHSON, ZIEGLER, FERGUSON, COGHILL, V.FISCHER, FAHRENKAMP, HALFORD AND RODEY

IN THE SENATE

SENATE RESOLUTION NO. 1

IN THE LEGISLATURE OF THE STATE OF ALASKA

FOURTEENTH LEGISLATURE - FIRST SESSION

Relating to the University of Alaska Foundation.

BE IT RESOLVED BY THE SENATE:

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

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

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

BE IT RESOLVED that the Senate commends and encourages the University of Alaska Foundation in its endeavors to forecast research needs, find and fill gaps in the current research effort, and to seek support for research requiring long-term and stable funding.

SR 1 SENATE JOURNAL - PAGE 394- 3 2/26/85

SENATE RESOLUTION NO. 1 by Senators Sturgulewski, Bennett, Josephson, Ziegler, Ferguson, Coghill, Vic Fischer, Fahrenkamp, Halford and Rodey,

Relating to the University of Alaska Foundation,

was read the first time and referred to the Resources Committee.

SR 1 SENATE JOURNAL - PAGE 518- 1 3/12/85

The Resources Committee considered SENATE RESOLUTION NO. 1 (University of Alaska Foundation) and a majority of the committee recommended do pass. The report was signed by Senator Sturgulewski, Chairman and concurred in by Senators Vic Fischer, Fahrenkamp, Coghill and Halford.

SENATE RESOLUTION NO. 1 was referred to the Rules Committee.

which the world managed to import into the Japanese market last year, the Japanese exported back more than ten and one half.

-- The trade imbalance could be offset considerably, if Japan, Taiwan, and Korea would buy Alaska's coal, gas and oil.

-- And that leads us to another question.

-- If we are to develop our coal, gas, oil and other resources, how do we make the sound environmental decisions to proceed with development?

-- The decisions to develop the Red Dog, Green's Creek, and Quartz Hill mines....

-- Can we have safe outer continental shelf development?

-- Should oil exploration be allowed in our Arctic Wildlife Reserve?

-- Can we have this kind of development in Alaska without compromising our ecology and environment and most of all our Alaskan lifestyle?

-- Does every development scheme have to evolve into a battle between well-meaning environmental groups and those looking to diversify Alaska's economic base?

-- All too often the basis of indecision on both sides is suspicion of the other point of view and ignorance of the facts.

-- It has been said that the Alaska pipeline cost an additional billion dollars because we did not have the scientific knowledge at the time to know such things as the effects of a hot pipeline through permafrost.

-- That's why one of my first initiatives in the Senate was to propose the formation of a national scientific body that would help provide the knowledge we need to make informed decisions.

-- That was my Arctic science policy bill -- designed to be the vehicle to unlock our Arctic with sound scientific knowledge.

-- The President signed that bill into law last August. Now he is ready to appoint the five members of the Arctic Research Commission.

-- Within a few days, I expect the President of the United States to formally announce the appointment of the commissioners. I have been given the privilege of releasing those names.

Chairman of the Commission will be Dr. James Zumberge, President of the University of Southern California and a noted polar scientist.

Vice Chairman will be Dr. Juan Roederer, Director of the Geophysical Institute at the University of Alaska, Fairbanks.

The other three commissioners will include:

Mr. Oliver Leavitt, a leader among the Alaska Native community from Barrow.

Elmer Rasmusson of Anchorage, a prominent member of the Alaska business community.

And Dr. Lincoln Washburn, a leading Arctic scientist from the University of Washington.

I expect the five to be sworn into office sometime next month in Alaska.

-- This commission will help guide us in making sensible decisions about our resources and the future.

-- Consider:

-- If we want to have clean air to breathe and clean water, we need to know how to combat "Arctic haze" -- the industrial pollutants that drift into the Arctic air mass from industrialized areas in the Soviet Union and Northern Europe.

-- If we want to improve human health and living conditions in the Arctic, we are going to have to learn how to combat Hepatitis B - to design new building and engineering systems for Arctic housing and transportation systems.

-- If we want to protect our environment and fully develop our natural resources in a sensible manner, we need to fully understand the Arctic ecosystem.

-- If we [illegible] to provide for our own defense, we need to know how [illegible]ch our troops to survive, train, and fight in Arctic climates.

-- After all, our greatest potential adversary, the Soviet Union, is also our Arctic neighbor.

It is important to remember, however, that the focus of the Arctic Research and Policy Act is on national needs and objectives.

In some cases, national priorities may differ from the priorities of Alaskans.

Without question, we will benefit from the Arctic Research and Policy Act. But that effort alone is not enough for Alaska's needs.

-- We need our own effort, complementary to the national commission, but independent from it as well.

-- There is a group of people in our state who understand this, and they are quietly working toward the achievement of an exceptional future for Alaska.

-- I'm speaking of the University of Alaska Foundation and their supporters.

-- For the past several years the University of Alaska Foundation has been quietly seeking the means to achieve the brightest possible future for Alaska.

-- They call their project "The Alaska Research Development Project."

-- Their aim is to discover what Alaska needs to know about itself, its environment, and its people.

-- The Foundation recognizes we have the opportunity and the responsibility to critically investigate our resources, determine where we want to be fifty or one hundred years from now, and develop a coordinated, long-range effort to accomplish our goals.

-- This dedicated and inspired group of civic, commercial, and educational leaders has laid before us a challenge that cannot be ignored.

-- They have dared us to plan our future....

-- A draft report outlining research needs ranging from ice dynamics to the eradication of Hepatitis B is already being circulated among members of Alaska's scientific community.

-- That draft is a preliminary version of a report which will be available in a few months.

-- The Foundation is now planning where the report will lead us.

-- They have a number of ideas, including the establishment of a research institute.

-- This institute would focus exclusively on Alaska's needs and objectives rather than the national needs and objectives dominating the agenda of the Arctic Research Commission.

-- Clearly, there is a role for the state to play in the creation of this institute.

-- The University of Alaska Foundation has some great ideas, but they can't make them happen without your help.

-- I understand the Foundation will soon be presenting you with their plan. I know you will listen and act.

-- Alaska has a rare and enviable opportunity to plan for her future.

-- Let us join together by gaining the wisdom to ensure that future...for ourselves...our state...and our nation.

-- For the key to Alaska's future is knowledge.

Roederer named to Arctic study panel

Three internationally known scientists, one of them from Fairbanks, and two other Alaskans will serve as the first five members of the new Arctic Research Commission.

The appointments were revealed Monday by U.S. Sen. Frank Murkowski, R-Alaska. President Reagan was to officially announce them today.

The commission's office will be based at the University of Southern California, where the appointed chairman, James H. Zuberge, is president.

Named to the commission were Juan Roederer, a physics professor and director of the University of Alaska-Fairbanks Geophysical Institute; Elmer Rasmuson, former Anchorage mayor and the chairman of the National Bank of Alaska's executive committee; and Oliver Leavitt of Barrow, vice president of the Arctic Slope Regional Corp. and a board member of the Alaska Federation of Natives.

Roederer is well-acquainted with the two other scientists on the commission, USC President Zumberge, and Albert L. Washburn, a leading Arctic scientist and former chairman of the National Academy of Science Polar Research Board. Washburn is a research center director at the University of Washington.

According to Roederer, Zumberge also chairs an international scientifice committee overseeing all research in the Antarctic. Washburn has done research in Alaska and Greenland, Roederer said.

Roederer got a letter from the White House in December informing him of the selection. He was among UAF scientists who worked actively in promoting passage of the federal Arctic Research Policy Act.

Roederer has been at UAF for more than seven years. His research has included magnetospheric physics, computer modeling of magnetic fields and plasma systems, psychoacoustics and neuropsychology.

Congress passed the act establishing the commission in early 1984. The new five-member commission is to recommend policy for America's Arctic research efforts. The act also created an Inter-agency Committee, represented by nine federal agencies or departments, for coordination and communication of their Arctic research projects and needs. The inter-agency group is coordinated by the National Science Foundation, whose director is an ex-officio member of the Arctic Research Commission.

The commission must publish 30 days' meeting notice in the Federal Register, but Roederer says most of the new commission members likely will meet later this month when the National Academy of Science's Polar Research Board meets in Alaska.

That board will hear public comments in Anchorage Feb. 28 and Fairbanks March 1 as it works to identify urgent and long-term scientific problems in the Arctic, Roederer said.

Filed
SR1

Introduced: 2/25/85
Referred: Health, Education &
Social Services

BY BOUCHER, RINGSTAD, GRUENBERG, TAYLOR, SZYMANSKI, FRANK, DAVIS, POURCHOT, CLOCKSIN, ADAMS AND DUNCAN

IN THE HOUSE

HOUSE CONCURRENT RESOLUTION NO. 11

IN THE LEGISLATURE OF THE STATE OF ALASKA

FOURTEENTH LEGISLATURE - FIRST SESSION

Relating to the University of Alaska Foundation.

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

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BE IT RESOLVED that the Alaska State Legislature commends and encourages the University of Alaska Foundation in its endeavors to forecast research needs, find and fill gaps in the current research effort, and to seek support for research requiring long-term and stable funding.

FEB 20 1985

ANCHORAGE CAUCUS

ALASKA STATE LEGISLATURE

SENATE

Abood, M.
DeVries, E.
Faiks, J.
Fischer, V.
Halford, R.
Josephson, J.
Kelly, T.
Kerttula, J.
Rodey, P.
Sturgulewski, A. ✓

HOUSE

Boucher, R.
Clocksin, D.
Collins, V.
Cotten, S.
Furnace, W.
Gruenberg, M.
Hanley, A.
Jenkins, R.
Martin, T.
Pearce, D.
Pettyjohn, F.
Phillips, R.
Pignalberi, M.
Pourchot, P.
Rieger, S.
Szymanski, M.
Uehling, R.

MINUTES
February 19, 1985

12:00 Noon, Senator Josephson called the meeting to order. The following members were absent: Senator Abood, Senator DeVries, Senator Kelly, Senator Kerttula, Senator Rodey (out of town), Representative Gruenberg, and Representative Martin.

Representatives from the University of Alaska Foundation informed the Caucus about the Alaska Research Development project. William Wood spoke to the Caucus and suggested that we need research projects that address issues the State will face in the future. Over the last three years, $360,000 has been raised from the private sector for funding for this project. A scientific advisory group has been formed based upon the principle of partnership of interest. Interest includes: government, academic, industrial/commercial, and general public. One issue that needs to be addressed is how do we create new wealth (for the State), rather than how we spend the old wealth.

Lyle Perrigo focused on what they've done, how they've done it, who's been involved, and the possibilities of the results they have now. This project really is an effort to forecast what the research needs are for the State of Alaska. Mentioned who is on the Scientific Advisory Commission and that a

ANCHORAGE CAUCUS

ALASKA STATE LEGISLATURE

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Pourchot, P.
Rieger, S.
Szymanski, M.
Uehling, R.

draft report is being distributed for comments. The next stage is to find a mechanism for supporting research in the State of Alaska, how we do that, we're not sure.

Representative Boucher stated that we're moving into the information age and we need to draw the knowledge we have, and supports the project. We need to invest in the future. We're overloaded with information and very little knowledge. What we need to do now is concentrate in "thinkware".

Senator Sturgulewski praised the project.

Representative Pignalberi noted that he has a copy of the draft report if anyone was interested, please contact him.

Senator Sturgulewski mentioned that there will be a resolution of support for the project that will be introduced in the legislature.

Senator Josephson adjourned the Caucus meeting at 12:40 pm.

ANCHORAGE CAUCUS

ALASKA STATE LEGISLATURE

SENATE

Abood, M.
DeVries, E.
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Fischer, V.
Halford, R.
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Rodey, P.
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HOUSE

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Pourchot, P.
Rieger, S.
Szymanski, M.
Uehling, R.

AGENDA

FEBRUARY 19, 1985

TIME: 12:00 NOON

LOCATION: House Finance Room
Capitol Building

I. Call to Order

II. Roll Call

III. New Business

A. Presentation by University of Alaska Foundation regarding the Alaska Research Development project

IV. Other Business

V. Announcements

VI. Adjournment

SENATOR
ARLISS STURGULEWSKI

2957 SHELDON JACKSON
ANCHORAGE, ALASKA 99508
SENATE DISTRICT F, SEAT A

Alaska State Legislature

While in Juneau
POUCH V
JUNEAU, ALASKA 99811
(907) 465-3818

Senate

M E M O R A N D U M

January 28, 1985

TO: Senator Joe Josephson
Senate Coordinator, Anchorage Caucus

FROM: Senator Arliss Sturgulewski

The University of Alaska Foundation has requested an opportunity to make a presentation to the Anchorage Caucus regarding the Alaska Research Development project on which they are working. The purpose of this project is to be a catalyst for increased research capabilities at the University of Alaska.

As you know, President Reagan has signed the legislation dealing with the Arctic Research policy legislation sponsored by Senator Murkowski. Individuals working with the project of the University of Alaska Foundation will be here when Senator Murkowski speaks to the joint session of the legislature on the 18th of February.

Would it be possible to reschedule or have an additional meeting of the Anchorage Caucus on the 18th for a presentation to be made by representatives of the University of Alaska Foundation so they would not need to stay in Juneau until the 21st of February to make an appearance at the regular Thursday meeting of the Anchorage Caucus.

The Foundation is not requesting specific legislative action, although they might like to encourage a resolution of support for the project. They have raised money in Fairbanks as well as in the Anchorage community for the establishment of additional research. Action is being taken by the U of A Foundation to increase its visibility in the Anchorage community. Brian Brundin, Edith Bullock, Fred Eastaugh, Paul Gavora, John Hughes, Byron Mallott, Tom Miklautsch and William R. Wood are heading up this special project for the University of Alaska Foundation.

I look forward to your early reply.

I told my staff to indicate OK for 18th but you know my staff is so small! How will do I know ☺

Alaska State Legislature

SENATOR
ARLISS STURGULEWSKI
Chairman, Senate Resources Committee
Vice-Chairman, Senate Health, Education and Social Services Committee
Member, Senate Community and Regional Affairs Committee

2957 SHELDON JACKSON STREET
ANCHORAGE, ALASKA 99508

While in Juneau
POUCH V
JUNEAU, ALASKA 99811
(907) 465-3818

Senate

M E M O R A N D U M

February 20, 1985

TO: Senator Vic Fischer

FROM: Senator Arliss Sturgulewski

RE: Attached resolution

Attached is a Senate resolution commending and encouraging the University of Alaska Foundation's research project.

Your co-sponsorship is invited. — Yes - thanks

Alaska State Legislature

FEB 21 1985

SENATOR
ARLISS STURGULEWSKI
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Senate

M E M O R A N D U M

February 20, 1985

TO: Senator Fahrenkamp

FROM: Senator Arliss Sturgulewski (as)

RE: Attached resolution

Attached is a Senate resolution commending and encouraging the University of Alaska Foundation's research project.

Your co-sponsorship is invited.

Yes Bettye Fahrenkamp

14-0697
Levy
2/19/85

IN THE SENATE BY STURGULEWSKI

SENATE RESOLUTION NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

FOURTEENTH LEGISLATURE - FIRST SESSION

Relating to the University of Alaska Foundation.

BE IT RESOLVED BY THE SENATE:

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

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

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

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

BE IT RESOLVED that the Senate commends and encourages the University of Alaska Foundation in its endeavors to forecast research needs, find and fill gaps in the current research effort, and to seek support for research requiring long-term and stable funding.

From The Last Frontier
Rep. Terry Martin
State Capitol, Pouch V
Juneau, AK 99811

If Texas can do it, !!!
Why not Alaska?

Going Dry: Texas Looks Beyond Oil

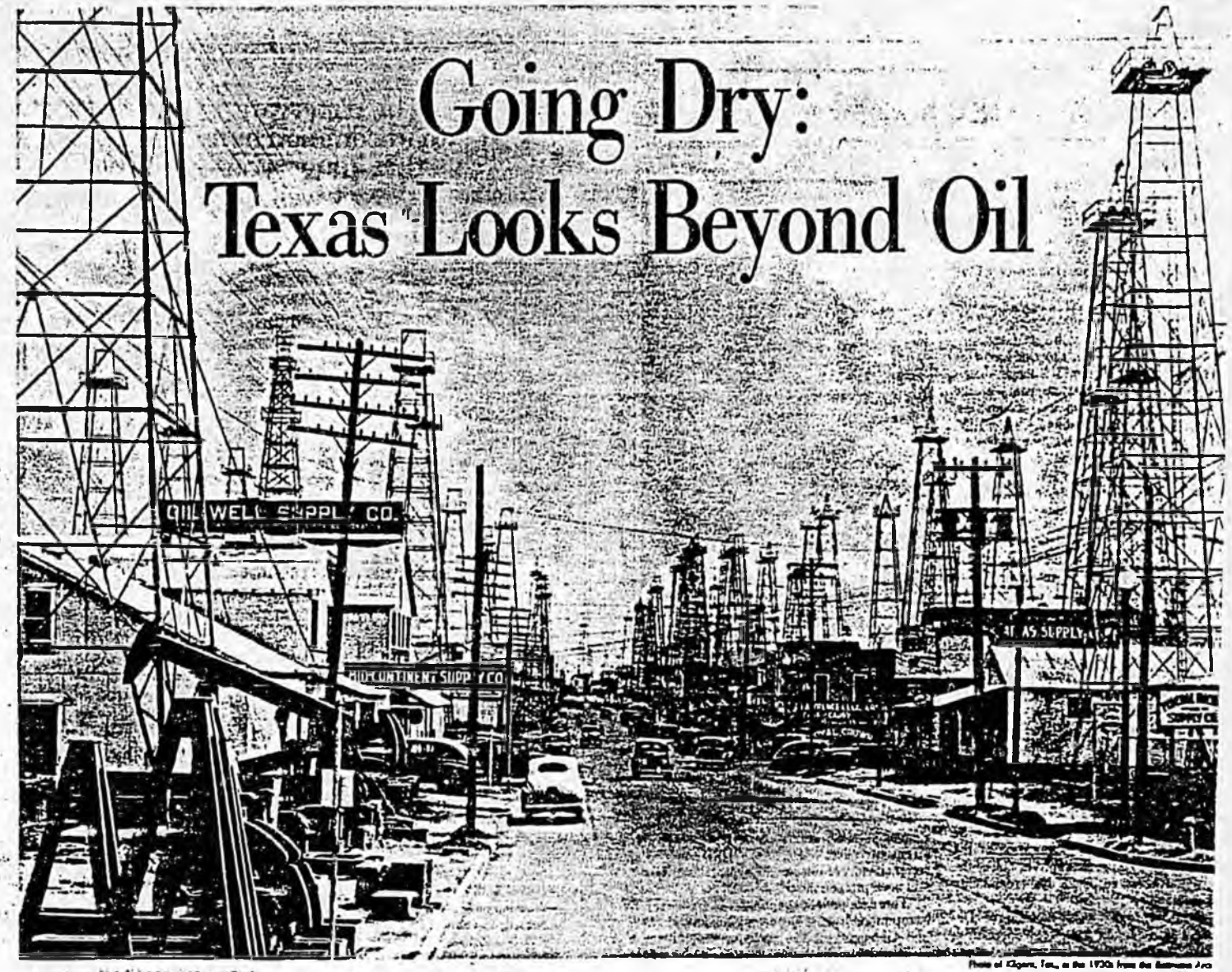


Photo of Kilgore, Tex., in the 1930s from the Dallas Mo

By Paul Taylor
Washington Post Staff Writer

KILGORE, Tex.—Billy Bob Crim was 4 years old when they struck oil in this dirt-poor cotton-farming town, and his father had to make a decision. Should he dig an oil well in the front yard, or out back?

"Daddy didn't drill in either place," Crim, 58, recalls with relish, "because if he did, me and John T. [his brother] wouldn't have had any place to play."

Such decisions were easy in the Texas of 1930, awash in newly found oil. But today, still in Crim's lifetime, the gusher is in decline.

Texas is going dry.

The state that made oil famous has been forced to search for new riches, and that search has produced an unlikely partnership of microchips and moguls, of college presidents and politicians, as Lone Star institutions struggle toward a high-tech future.

Half a century ago, Kilgore sat atop the biggest oil strike in history.

In the boom set off by wildcatter C.M. (Dad) Joiner's 1930 discovery, they dug up cemeteries here to drill for oil, they ripped a Presbyterian Church in half, they erected a forest of 24 derricks toe-to-toe along a single block of Main Street, tearing down all the stores in the way.

They drilled with such frenzy that, until the Texas Rangers were sent in to enforce production limits in 1931 under martial law, they had driven the world price of oil down from $1.10 to 10 cents a barrel.

Even with the limits, tiny Kilgore (population 800 before the discovery, 8,000 after) had 1,200 oil wells pumping away throughout the 1930s and '40s, some capable of producing a fantastic 10,000 barrels a day.

Now, there are fewer than 100 producing wells in Kilgore, and they cough up but a pittance—an average of fewer than 10 barrels a day of oil, mixed with a couple hundred barrels of the salt water that each year encroaches a few feet further into the legendary East Texas oilfield.

Kilgore, in short, is running out of oil, as is the entire state.

It won't happen next month or next year; it won't happen for 20 or 30 years. If price and technology make the state's sizable reserves of hard-to-get oil worth extracting, it won't happen even then.

But it has begun to happen. Oil production and oil reserves in Texas have declined by more than a third since the peak production year of 1972, and there have been no major new finds in a quarter of a century.

And so Texas—whose name is virtually synonymous with oil; whose political power, economic clout and fabulous private wealth are drawn from oil; whose low taxes, high-risk entrepreneurial zeal, braggadocio, broadness of character, coarseness of manner, grittiness of determination all have been fueled by oil; and whose made-in-Hollywood grip on the imagination of cultures all over the world has been preserved by oil—is weaning itself from oil.

It is a remarkable transformation. The state's economy, once built on cattle and cotton, then suddenly flush with oil, is barely a decade into the business of building a diverse manufacturing base. In that sense, it is a century behind the East Coast.

But now, even as that catch-up industrialization process is proceeding in fits and starts, the energy-based manufacturing sectors—oil and gas extraction, oil refining, the petrochemical industry—already are in long-term decline. So Texas is trying to leapfrog into another economic revolution, into frontiers of knowledge and high technology.

"High Tex," they call it here.

"Knowledge is the oil and gas of our future," says Jo Newton, departing chairman of the board of regents of the oil-rich University of Texas system.

In the Texas of 1985, a broad consensus of academics, politicians and, especially, business leaders shares this view. They believe that wherever the state's economy is headed, it is the university system that will take it there.

As a result, the 14-school university system is beginning to play a role roughly akin to what an aggressive Chamber of Commerce might do in a small city, or what a "national industrial policy" might do for the whole country.

That is, as they decide what research to pursue in which areas of the state, the universities are self-consciously placing themselves in the economic-development business as well as the knowledge business.

"The universities aren't merely an ornament anymore," says Walt W. Rostow, professor of political economy at the University of Texas and national security affairs adviser to President Lyndon B. Johnson. Rostow served on a gubernatorial commission that projected the needs of the state

through the year 2000. "They are now seen here as a part of the bottom line."

Just in the past year, a broad range of new links has begun to be forged all over Texas between university research programs and high-tech companies, or basic industries looking to retool, or small entrepreneurs looking to start out, or real estate interests looking for general economic expansion.

This is by no means a novel formula. In the 1960s and 1970s, Stanford/Silicon Valley in California and MIT/Route 128 in Massachusetts got a jump on the rest of the country in the commercialization of knowledge. Today, in all but a handful of the 50 states, mad scrambles are under way to create "high-tech highways" that marry university research with economic development.

Texans, with characteristic can-do spirit, believe that they are poised to break out of the pack, perhaps far enough to be on a par with the granddaddy centers in Palo Alto and Boston, although the emergence of high tech here won't take such a geographically concentrated form.

There are good reasons for this bravado. For starters, the UT system has a financial base that is the envy of the academic world. Its $2.1 billion endowment—which has been massing since oil was discovered 62 years ago under the "worthless" 2.1 million acres of state lands set aside for higher education in the constitution of 1876—is unmatched by any public system in the country and topped only by Harvard's $2.4 billion.

Moreover, Texas chauvinism is being put to productive work. Private donations to the UT system have topped $100 million for each of the past two years; among public institutions, only the University of California system raises more.

And the best, they'll guarantee you down here, is yet to come. "We're about 50 first-class funerals away from having a private foundation base in Texas that can top anything in the East," says Jack Rains, chairman of the board of 3D/I, a Houston-based engineering company. "You can bet that the bulk of that money is going to go straight into education."

Private donations already have enabled the flagship school of the state system—the University of Texas at Austin—to raise its endowed faculty positions from 112 to 802 in four years. No institution of higher education, public or private, has ever undergone such a bold, compressed reach for faculty excellence.

They're reaching for student excellence, as well. Texas A&M and UT-Austin rank nationally in the top five in the number of National Merit Scholars; both schools woo high school whiz kids with the ardor, and full scholarships, usually reserved for 260-pound linemen.

In the 1960s, politicians often treated the university system as a plaything. In the 1980s, the politicians have become cheerleaders for education and research.

Despite a projected state budget shortfall of $1.1 billion in the next two years, Gov. Mark White's proposed budget calls for a quadrupling—to $80.7 million—of state spending on pure research. Last year White pushed through the largest tax increase in state history to improve the state's underfunded and low-achieving elementary and secondary schools.

His strongest allies for higher taxes for education were in the business community.

"We in this state have been lucky enough to sit on top of a whole bunch of oil and gas, but when we're in rocking chairs and that's all played out, we better make damn sure our kids have something upstairs to keep the state going," computer magnate H. Ross Perot told Texans in a call-to-books speech he delivered across the state last year.

Texas has a long way to go. Even with the new taxes, funding for public schools here still is well below national norms, and student test results still are near the bottom. High school students here rank 17th of the 22 states that collect Scholastic Aptitude Test data. The low-tax mentality will die slowly in the state legislature.

It's the private sector-university connection that's driving most of the effort to diversify.

Some examples, in the last year alone:

• A real estate developer in Fort Worth gives the University of Texas at Arlington $5 million to set up a robotics institute that, he hopes, will attract new industry and keep the existing aerospace and automobile plants in the area competitive.

• A developer in San Antonio donates money and land to launch one of Mayor Henry Cisneros' pet projects, an Institute of Biotechnology at the University of Texas Health Sciences Center that will, he hopes, spur the development of a biomedical industry in San Antonio.

• An independent oilman in Houston gives $10 million in seed money to a new consortium of four universities—UT, Texas A&M, Rice University and the University of Houston—so it can compete to build a federally sponsored $2 billion atom smasher, and conduct research in laser applications in cancer treatment.

Given the zeal with which the state is bounding down the high-tech highway, cool heads cry out to be heeded.

"These are all experiments," says Victor L. Arnold, director of UT's Bureau of Business Research. "They are all worth pursuing. But we just don't have any track record yet.

"If you're looking at high tech to be a panacea for unemployment problems, you're making a big mistake. We do econometric projections here, and even under the most liberal assumptions, we can't get high tech to provide more than 10 percent of our jobs by the year 2000."

Still, conquering new frontiers is near the very core of what makes Texas Texas. The state has the gusto to build a new economy, it has the money, it's working on the smarts, and, all of a sudden, it sees the need.

"The clock is ticking," says George Christian, former press secretary to President Johnson and now a political consultant and business lobbyist in Austin. "We better damn well get ourselves a new base before the oil runs out."

When will that be?

Texans have pumped 47 billion barrels of oil out of the ground since the Spindletop discovery started it all at the turn of the century. Geologists say there are another 8 billion barrels of proved reserves in the state.

At current drilling rates, that will be long gone by the year 2000. Moreover, prospects for major new finds in Texas—surely the most paved-over land on the continent—are considered remote.

That's a bleak picture, but it is not quite the whole picture. Texas also has some 110 billion of barrels of oil that has been classified as "unrecoverable"—too deep or locked too tightly in rock formations to be worth the cost of extraction.

Dr. William L. Fisher, chairman of UT's Department of Geology, believes that new technologies have made 35 billion of those 110 billion barrels recoverable. Assuming that oil prices hold and energy demand grows, he believes that half of the 35 billion will be drilled by the year 2000.

"What created a market for these technologies was the explosion in price that began in 1973," Fisher says. "It prolonged the life of thousands of wells that would have been capped years ago. It could well extend the oil-extraction business in this state well into the 21st century."

The irony of the oil price explosion is that it occurred just as production in this state was peaking. In 1972—the peak year of oil production here—a barrel of crude sold for $3.48. In 1982, the peak year for price, it had shot up more than ninefold, to $32.48.

Small wonder, then, that the realization that Texas has built its economic and tax base on a declining natural resource has been slow to sink in here. Look what oil and natural gas, which has undergone similar production declines and price increases, did for the state through that 10-year stretch:

• Oil and gas employment tripled, to 311,000.

• State revenues from the oil severance tax grew sixfold, from $210 million in fiscal year 1973 to $1.3 billion in fiscal year 1982, despite a 30 percent decline in oil production during that period.

• Sales and severance taxes on the energy industry came to account for 40 percent of all state revenues by 1982.

"We have been taxing the hell out of a declining resource base," says Bernard Weinstein, an economist at the John Gray Institute in Beaumont. With the energy bust of the past three years, the figure is down to 30 percent and dropping. "I'm afraid this state has 10 years of hard slogging ahead in the area of taxes," he says.

What has awakened Texans to the drying up of its chief natural resource is not so much the long-term production decline as the short-term price softening.

The effects of the price bust have been dramatic.

Houston, the red-hot energy capital of the Southwest through the 1970s, is sitting on 30 million square feet of unleased office space—roughly enough to house all of downtown Denver. Business foreclosures in Houston ran at an all-time high in 1984, double the 1983 rate.

Statewide, 16 oil refineries have shut their doors since 1981, and 123,000 manufacturing jobs have been lost. Most of the losses come from industries that supply the energy business, such as fabricated metal and machinery, and industries that process energy as a raw material, such as refineries and petrochemical plants.

"We were on a drunken stupor of prosperity," says Kenneth Schnitzer, a Houston developer heading a hurry-up effort by a business panel to expand Houston's economic base. "We're just now sobering up."

Houston is widely perceived as the chief victim of the energy bust, long- and short-term, but that's probably a misreading of its future.

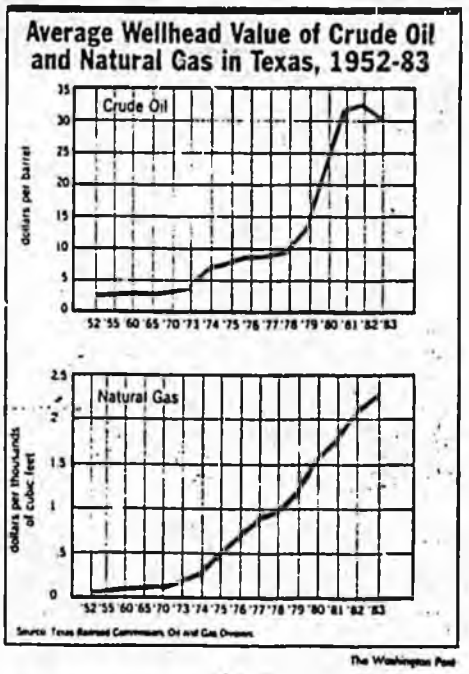
The energy business in Houston is tied more to servicing than to extraction; and it is tied more to the worldwide oil industry than to the Texas industry. In short, when the wells go dry in Texas, Houston still will be one of the world's energy capitals.

Moreover, despite its domination by the energy industry, Houston has other irons in the fire. For example, the Texas Medical Center, one of the largest medical complexes in the world, has more employes—56,000—than the city's 10 largest oil companies combined.

"We have a port, we have NASA, we have medicine," says J.L. Taylor of the Houston Chamber of Commerce. "We probably should have started to diversify 15 years ago, but when you have 1,000 new people moving into your city every week, who worries about broadening your base?"

In the 1970s, the Houston area grew by 970,000 residents and jumped from 76th to 11th place among metropolitan areas in per capita income.

"We have achieved a certain critical mass," Taylor says. "The irony is that we are much better poised to diversify now than we were 15 years ago, when I first started beating the drums for diversification."



Author James Michener tells of being in Houston, interviewing a roomful of real estate brokers for his forthcoming Texas novel. It was 1983. Houston, hottest of the red-hot boom towns of the 1970s, had just taken a spectacular fall in the oil glut, a fall that it still is struggling to overcome.

Michener posed a question to his broker guests. He planned to have one of the characters in his novel move from Detroit to Houston and make it big in real estate.

Question: Which year should the character come to town?

The brokers batted the problem around. Someone suggested 1973—the year of the first oil shock. Silence.

Another proposed 1979—the year of a second OPEC increase and domestic oil decontrol. Land prices were doubling, then doubling again, in a matter of months.

There were nods of agreement and wan smiles of fond remembrance all around the room, but they were offered without enthusiasm.

Finally a broker, heretofore silent, pierced the indifference.

"I have it," she said. "Next Tuesday!"

The room erupted into rebel yells and whoops of delight. "Hot damn! Next Tuesday."

Michener tells the story with unadorned wonder.

"If you want a two-word definition of Texas," he says, " 'next Tuesday' gets you about as close as you'll ever get.

This is a state where you play hard, you take your licks, you get up off your behind, you adjust to the market, and you get ready for the next big strike."

The Houston of 1985 is not much better off than the Houston of 1983. If oil prices continue to slip—and most analysts predict they will—the worst is yet to come.

But there are other corners of the state whose long-term prospects seem dimmer—and they tell another side of oil's decline in Texas.

Take Kilgore and Billy Bob Crim.

When Dad Joiner struck oil here, on Dec. 28, 1930, it was in a well he had spudded on a 900-acre farm owned by Lu Della Crim, Billy Bob's grandmother. The Crims became millionaires overnight.

So did lots of folks in East Texas. Joiner's pool of oil turned out to be an astounding 42 miles long and an average of five miles wide. It put all previous oil discoveries to shame.

In the oil industry, a field containing 100 million barrels is considered a major find. The East Texas field has produced 5 billion barrels, and it is still going—albeit at a drastically reduced rate.

Some 31,500 wells have been drilled into the field over the past 54 years. Fewer than 650 have been dry holes. More than 19,000 of the wells have been plugged and abandoned, and most of those that remain are stripper wells, producing 10 barrels a day or less. Geologists predict that the field will play out within the next 15 years.

For the local tax base, the impact will be devastating. Oil accounts for $3.3 billion of the $6 billion tax base of Gregg County, where the East Texas field sits.

The local tax consequences of declining oil production don't belong to East Texas alone—although the problem is more advanced here. More than one-fourth of the counties in Texas—69 of 254—are in a similar position: More than half of their tax base comes from a dwindling natural resource.

For some cities, the situation is even more dire. Clarksville City, a few miles north of here, where the East Texas field still is productive, draws $358 million of its $368 million tax base from oil.

"It's going to be terrible when the oil runs out," says Buddy Potter, who owns an oil production company in Kilgore. "We keep on having tax consultants come in to tell us how to expand our base. But I just don't think folks are really ready for it."

Loss of tax base hits hard. Loss of royalty income hits harder still.

Oil has brought the landowners of East Texas what they like to call "cash flow." In great abundance.

An owner of an oil property—or of the mineral rights to the property—typically receives a bonus for allowing a production company to drill on the land, plus royalties worth a one-eighth share of whatever the company pulls out of the ground.

In the past three decades, the royalty owners of Texas—most of them small landowners whose shares have been sold, inherited and otherwise split into millions of pieces—have been paid an estimated $41 billion in oil royalties.

Back in 1931, the Crims leased the rights to drill on their property to Humble Oil, now Exxon, for $2.1 million. Family members have been drawing royalty checks every month since then.

"The royalty income has got to be well into the millions, though I don't think anyone in the family has ever totaled it up," says Trey Crim, 31, Billy Bob's nephew. "But one thing's for damn sure—it's running out now."

Trey says his share of the royalties dropped to $5,000 last year. It prompted him to do something that no one in his family had ever done before. He got into the oil business.

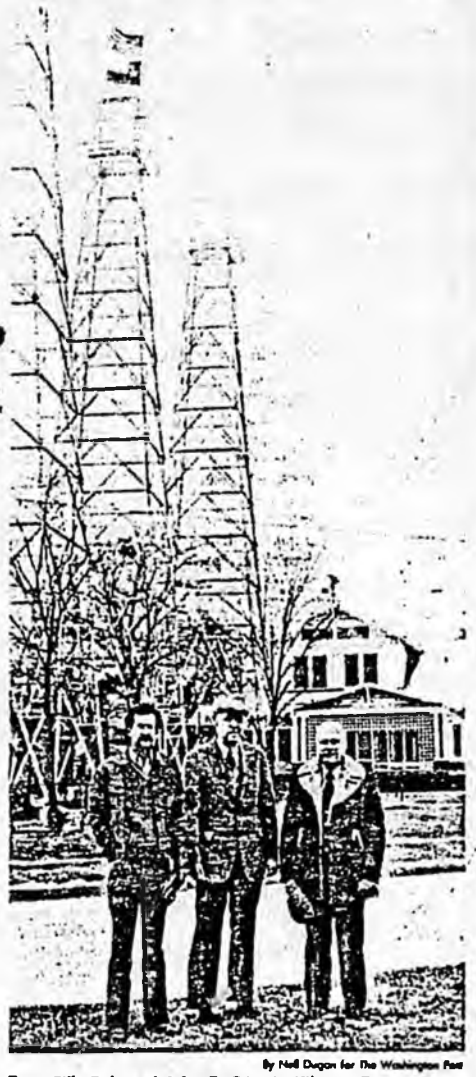
Crim's company, Long-Tex Exploration Inc., raised money from small investors to drill five wells last year—not at the 3,600 foot depth of the Dad Joiner discovery, but at 8,000 to 10,000 feet. He was looking for the hard-to-get oil.

"We hit three of five," Crim says. "We paid off our investors in four months. Those wells ought to produce for another year."

As for the rest of the Crim family—well, over the years it has dabbled in the tobacco business, the laundry business, the timber business. But mostly it has chosen to stay in Kilgore, live simple, decent lives and cash in royalty checks.

The Crims' home town has the sleepy, serene, small-town look of a place whose future came and went long ago.

There are 12,000 people in Kilgore. Some folks here say that the town could have grown bigger, the way Longview did, up the road a stretch—but that old, conservative families like the Crims just didn't want it to. The go-getters of Kilgore, well, they took their cash-flow and moved to Houston or Dallas.



By Neil Dugan for The Washington Post

Trey, Billy Bob and John T. Crim in Kilgore, Tex.

The future seems uncertain here, even to the Crims. When they struck oil in Kilgore in 1930, it was at the depth of the Depression, "and it seemed like the whole world was pouring out its goodies at your feet," says the narrator of the film at the local museum.

Now, says Billy Bob Crim, "it seems like all good things must come to an end."

It is possible to pinpoint a moment on the calendar when the state, in a kind of whoosh of recognition, came to see the need for new arrangements.

It happened in 1983, when Austin outgunned 56 other cities to become the home of the Microelectronics and Computer Technology Corp. (MCC), a newly formed research consortium of 20 high-tech companies that hope, among other projects, to beat the Japanese in the race to build fifth-generation supercomputers.

When Austin won the competition, some other cities cried foul. Texas, they said, "bought" MCC. They were right.

The business community ponied up $23 million to attract the consortium to the state—most of it to build an MCC research facility that will be tied to the University of Texas at Austin, but some to provide a private jet for MCC executives and below-market home mortgages for MCC researchers.

The group that developed the deal includes a who's who of Texas power—Gov. White; Cisneros, who threw in behind Austin's bid after his own city didn't make the final cut; Perot; Perry Bass, scion of the Sid Richardson oil fortune and head of a family that owns much of Fort Worth; Ben Love, chairman of the board of the Houston-based Texas Commerce Bancshares; Dallas oilman H.R. (Bum) Bright, chairman of the Texas A&M Board of Regents, Republican fund-raiser and owner of the Dallas Cowboys; plus a host of academics and scientists.

"The group that came together for MCC had never been in the same room before," says Rostow. "And once they got it, I think they understood that they had to stay together. From now on, this partnership between the politician, the scientist, the engineer and the entrepreneur is going to be a key ingredient to making the economy tick."

MCC has been a genuine galvanizing event in Texas. Its example already has spawned a host of look-alike research institutes in the state. Most are going to break ground this year. Among them:

• The Houston Area Research Council (HARC). Created with $10 million and 100 acres in grants from George Mitchell, chairman of the Mitchell Energy and Development Corp, HARC is a research consortium of scientists from the University of Texas, Texas A&M, Rice and the University of Houston.

It will compete for the federally sponsored $5 billion Superconducting Super Collider (SSC), a giant atom-smasher to be housed in a 100-mile-radius underground tunnel.

"If Texas could get the SSC on top of already having MCC, we'd become the nation's premier research state overnight," says Harden Weidemann, director of the Texas Economic Development Commission. The project would attract research talent from around the world. It also would be an enormous boost to the local economy, including a $200 million annual electric bill.

• Advanced Robotics Research Institute of the University of Texas at Arlington. With $5 million in seed money from a Fort Worth developer, ARRI is scheduled to break ground this fall on a research institute that will look for ways to apply existing robotics technology to plants and factories.

The institute expects to have researchers from nearby General Motors, Bell Helicopter, General Dynamics, Texas Instruments and Rockwell plants participate as members of a governing board.

• In San Antonio, Cisneros has spearheaded the creation of an Institute of Biotechnology at the University of Texas Health Sciences Center and a Texas Research Park on a 1,500-acre tract.

Cisneros hopes to fashion the university and military medical facilities in San Antonio into a world-renowned medical research center. The public school system already has created a high-tech magnet high school and will follow soon with a health-careers magnet high school.

The nation's 10th largest city—but also one of its poorest—San Antonio suffers from having a small manufacturing base. Cisneros says he has no illusions that these institutes will solve persistent unemployment problems, but he believes that the economic activity they generate will produce service jobs for both unskilled and skilled workers.

As Texas moves from the sunset of the oil era to the sunrise of high tech, it has a lot of catching up to do.

Despite ranking third in the nation—behind California and New York—in 1982 in the number of employes engaged in what the Bureau of Labor Statistics defines as high-tech industries, Texas lags far behind in attracting research-and-development grants. In 1982, it received 3.7 percent of all federal R&D funds, compared with 23.6 percent that went to California.

Although the number of high-tech jobs in Texas grew by 73.5 percent from 1975 to 1980—compared with an increase nationwide during that period of 26.8 percent—many Texas-based companies continue to send dollars out of state to fund their research needs.

Much of the problem lay with the universities. "Research dollars go to where the best brains are," Mitchell says. "Our universities haven't been able to compete with those on the East Coast and in California because for years our legislature was dominated by rural interests. But that is changing now."

The state legislature recently has passed laws freeing endowment funds for research programs, and UT-Austin, the state's flagship school, is exploring ways to reduce the teaching load on research scientists, and to enable them to share in the profits of the commercialization of their work.

A bigger problem lies in elementary and secondary education. "What our state is lacking isn't engineers—you can always import engineers," says economist Weinstein. "We're just not up there with the big boys in turning out a skilled work force that can read and write and think.

"We need to change the collective mentality in this state that says you can get away with a low-tax/low-service approach to government. It's beginning to happen. But we've got 10 years of hard slog." ■